



# COMPARATIVE HIGHLIGHTS OF **FOUNDATION LAWS**

THE OPERATING ENVIRONMENT  
FOR FOUNDATIONS IN EUROPE

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# FOREWORD

The operating environment of foundations is a key facilitator of the work they accomplish. At its best, it provides solutions to ease and enable efforts; it can also, however, create certain obstacles. More than just a framework within which day-to-day business is carried out, the legislative environment for foundations is continually evolving in challenging new forms.

After many years of working towards a united objective, the European Foundation Statute is on the precipice of becoming a reality. Meanwhile, the European Commission continues to pursue infringement procedures where Member States' treatment of cross-border activities is found to discriminate against non-resident organisations and donors. With developments also underway in the areas of the VAT treatment of foundations and their transparency and accountability, it is vital to stay informed about, and engaged with, current trends across all borders.

The updated European Foundation Centre (EFC) Comparative Highlights of Foundation Laws draw on data from the 2010/2011 EFC Legal and Fiscal Country Profiles (available on the EFC website). They address core topics such as the purposes and types of activities foundations can pursue, their governance structures and the tax treatment of both foundations and donors. They also provide an overview of the current operating environment for foundations across 30 countries in an accessible and comparative format.

The charts capture the diversity of the national legislative frameworks, reflecting the rich and varied history of the foundation across the countries surveyed, but they also highlight some clear transnational trends in foundation laws. This information will hopefully prove to be a valuable resource for both EFC members and a wider audience.

This impressive publication, along with the country profiles, are a product of the time and expertise that EFC members, DAFNE members, researchers and legal service professionals contributed to the effort, and in particular of The Atlantic Philanthropies, with whose generous support this publication is issued.

## **Emílio Rui Vilar**

Chair, European Foundation Centre  
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# INTRODUCTION

**This publication aims to provide the reader with a comparative overview of the diverse legal and fiscal environments of foundations across the 27 EU Member States, plus Switzerland, Turkey and Ukraine. The charts draw on the updated EFC Legal and Fiscal Country Profiles, available to download at [www.efc.be](http://www.efc.be)**

The profiles and the charts have widened in scope since the previous EFC publications in 2002 and 2007, and their structure has been redesigned by the EFC membership. These charts now address issues concerning the legal environment of foundations, such as the purposes that foundations are allowed to pursue, the requirements for setting them up, and governance requirements. The tax treatment of foundations is also outlined, with details on the income tax treatment of the foundation, including income from economic activities and asset management. In addition they provide information on tax incentives for individual and corporate donors, including information on the issue of cross-border donations.

## COMPARATIVE HIGHLIGHTS OF EUROPE'S NATIONAL LEGAL AND FISCAL ENVIRONMENTS

No common European legal definition of the term “foundation” exists. Nevertheless, there is across Europe at least a generally understood and accepted concept of what public-benefit foundations are: Independent, separately-constituted non-profit bodies with their own established and reliable source of income, usually but not exclusively from an endowment, and their own governing board. They distribute their financial resources for educational, cultural, religious, social or other public-benefit purposes, either by supporting associations, charities, educational institutions or individuals; or by operating their own programmes (this functional definition was developed by the EFC)<sup>1</sup>. Below is a brief analysis comparing key areas of the legal and tax environment for foundations in the 30 countries surveyed.

Most of the countries surveyed that have civil law systems recognise the foundation as a legal form. In other countries, such as the UK, Ireland and Cyprus, the focus is on the public-benefit character and the activities of the foundation, which can take different legal forms such as incorporated or unincorporated associations, trusts, companies limited by guarantee, etc. The law on charities in these countries has been developed on a common law basis.

### 1. Purpose of a foundation

All countries require that the foundation's assets be dedicated to a specified purpose. In approximately half of the countries, the foundation laws require that the foundation pursue public-benefit purposes only. Some foundation laws allow foundations to pursue any lawful purpose, including private purposes. Private purposes include, for example, the advancement of one family, relatives of the founder, trust funds for the funders' children's education, etc.

### 2. Minimum capital

In most countries, no initial starting capital for foundations is required by law, but the authorities require that the foundation possess a sufficient amount of capital to fulfil its purposes. Starting capital is required by law, for example, in: Austria (for private foundations), Czech Republic (not for endowment funds though), Denmark, Finland, Malta, Romania, Slovakia, Spain, and Turkey and the amount ranges from approximately €240 for public-benefit foundations in Malta to the €70,000 required for private foundations in Austria. In Spain a minimum of €30,000 is stipulated but the state authorities may also increase or decrease the amount as required. In practice (not required by law), a starting capital of up to €1 million may be required by the authorities (France). Other countries, such as Bulgaria, Cyprus, Estonia, Ireland, Latvia, Lithuania, the Netherlands, Poland, Slovenia, Sweden and UK (charitable companies) do not require a minimum capital.

<sup>1</sup> “Working with Foundations in Europe: Why and How”, EFC, Brussels 2001

### 3. State approval

In half of the countries surveyed, state approval is needed for a foundation to be established. However, only in very few countries do the authorities have discretionary powers not to approve a foundation (Cyprus, France, Greece, Luxembourg, and Switzerland). In Austria and Ukraine, while state approval is required for setting up a public-benefit foundation, it is not required for the establishment of private interest foundations. In France, while state approval is required for the establishment of both public-benefit and corporate foundations, endowment funds can be set up without such approval.

### 4. Registration

Most countries (28 out of 30) require foundations to register with an authority or the court. The register is publicly available in 25 countries. In the majority of cases the register is kept by a state authority. In Germany the registration is within the competence of the Federal State. The register normally identifies the founder, the purpose, the name and registered office of the foundation, the starting assets and in many cases the names of the members of the first board.

### 5. Spending down of capital

Most (19) countries, do allow foundations to spend down their capital. In some cases this is depending on explicit provisions in the foundation's statutes. In Austria, private foundations may spend down their capital, but public-benefit foundations may not. In the Czech Republic and Slovakia, the amount of capital a foundation holds may not fall below the level recorded for that organisation in the foundation register. Similarly, spend down of capital is not permitted in Denmark, Slovenia, or Sweden. The laws of both Romania and Turkey do not make explicit provisions on this matter, although in Turkey foundations are generally expected to seek to increase their capital and spend down is not encouraged.

### 6. Economic activities

In this publication, economic activity is understood as "trade or business activity involving the sale of goods and services". It has to be noted that the term "economic activity" is not always clearly defined in the different countries. "Related" economic activity is in itself related to and supports the pursuance of the public-benefit purpose of the foundation. Foundations can engage in economic activities in most of the countries surveyed, although the majority of countries impose some limitations on the nature of activities permitted. The most common limitation imposed on economic activities is the requirement for related activities, i.e. the activities must facilitate the foundation's purposes and/or should remain ancillary to the foundation's activities. Slovakia and the Czech Republic only allow some very specific economic activities listed in the law. In Denmark, two foundation acts exist side by side providing different legal regimes for commercial and non-commercial foundations. Commercial foundations, regulated by the Act on Commercial Foundations, can pursue economic activities as a part of their purpose or as their sole purpose. In such cases the statutes must contain a regulation on the distribution of profits.

### 7. Governing organs of a foundation

Legal requirements regarding the governance of foundations vary between countries. In most countries, the mandatory governance organ is a governing board, but foundations are free to set up other organs if they deem it necessary. Eight countries (Czech Republic, Estonia, Italy, Poland, Portugal, Slovakia, Turkey, and Ukraine) require a supervisory board to be set up in addition to the governing board. Some countries also make requirements concerning the appointment of auditors or setting up of auditing boards. France gives foundations the option of having a supervisory board and executive board or a management board. In several countries, the board can be composed of one board member only. However, there seems to be a trend towards requiring at least three board members.

In most countries the board can be composed of individuals as well as legal entities. However in some countries only natural persons are allowed to become board members (Austria for public-benefit foundations, Czech Republic, Denmark, Finland, Hungary, and Latvia). The founder is generally allowed to be a member of the board. In Hungary, the founder and his relatives have to be the minority, and in Sweden, the founder must not be the sole board member.

#### 8. Remuneration of board members

Regarding the remuneration of board members, most countries allow a reasonable level of financial compensation. In Denmark, the state supervisory authority may check whether the remuneration is appropriate, and can reduce any remuneration deemed excessive. Some countries generally prohibit remuneration of board members (e.g. France, Greece, Luxembourg, Slovenia, Spain, Switzerland and the UK).

#### 9. Conflict of interest

The majority of reviewed countries provide for rules against a conflict of interest of board members. Some national laws provide special rules about self-dealing transactions (e.g. Czech Republic, Estonia, Germany, and Sweden).

#### 10. Reporting requirements

Half of the surveyed countries require the submission of an annual activity report to an external authority. All 30 countries surveyed indicated that public-benefit foundations are required to submit financial information (variously in the form of annual budget/balance sheet, audited/unaudited annual accounts, and financial report) to a relevant authority, be this the fiscal authorities or the supervisory body for foundations, or both.

#### 11. Publication of annual reports/accounts

In the vast majority of countries, annual reports/accounts need to be made publically available. In Austria, Cyprus, Germany, Italy, Latvia, and Slovenia, it is not required that annual reports and/or accounts be made publically available.

#### 12. External audit

For private foundations in Austria and Cyprus; foundations in Czech Republic; commercial foundations in Denmark and Finland; and public utility foundations in France, Greece, Lithuania, Slovakia, Sweden and Switzerland (with some exceptions), an external audit of foundations' accounts is required. In many other countries, an external audit is required only for larger foundations.

#### 13. Supervisory structure

Foundations are in general supervised by a designated state authority, although the powers of the supervisory authorities vary widely.

Some countries have two different supervisory systems for different types of foundations (e.g. Austria and Denmark). Supervision of foundations established for public-benefit purposes is generally more extensive. Tax-exempt foundations are supervised by the tax authorities as regards their status as a tax-exempt organisation.

The following types of supervision by a state supervisory authority can be found:

- (1) Public administrative bodies without a court.
- (2) Combined supervision by a public administrative body and the court.
- (3) Public independent bodies which stand outside the hierarchy of public administration and have all necessary competence (Charity Commission in UK).
- (4) Court only (Austrian private foundations, Czech Republic, Estonia).

#### 14. Extent of supervision

The extent of the supervision of foundations varies between countries. To take some examples: The Austrian supervisory authority can inspect the administration of the assets of public-benefit purpose foundations at any time, whereas in Cyprus, the relevant legislation does not provide for any regulatory or supervisory control of foundations – the laws under which foundations are established simply impose filing or regulatory requirements to be met annually. In the Czech Republic, foundations fall under a combination of



court and tax authority supervision but are not subject to inspection. Meanwhile in France, any foundation that raises funds from the public or receives gifts or donations that provide tax relief to the donor are subject to inspection.

#### 15. Assets and dissolution

In the majority of countries surveyed the legislation provides that the assets of a public-benefit foundation cannot revert to private ownership in the case of the foundation's dissolution. The assets are in general transferred to an entity with a similar purpose to the dissolved foundation, either an entity that has been specified in the dissolved foundation's statutes or as determined by the court or supervisory authority. In some cases, or if a suitable entity of similar purpose cannot be identified, the assets may go to the state (e.g. the local municipality) which is generally required to use them to pursue publically beneficial goals or in some cases to promote the purposes of the dissolved foundation.

#### 16. Administration costs

Most countries do not fix a maximum amount that a foundation can spend on administration costs either in civil or in tax law. Eight countries (Austria, Cyprus, Germany, Malta, the Netherlands, Sweden, Switzerland and UK) do however indicate that administration costs should be kept to levels that are variously described as "reasonable", "bona fide" or "as low as possible". Where maximum amounts are stipulated, these are generally expressed as a percentage of the foundation's annual income or its overall resources: In Belgium the limit is set as 20% of the foundation's resources; in Latvia as 25% of general donations; in Spain 5% of equity or 20% of net income; in Ukraine as 20% of annual income; and in Turkey 1/3 of the income. In Denmark, administration costs exceeding 12% of annual gross income must be approved by the foundation authority, and in the Czech Republic the foundation's statutes must define a specific limit in accordance with certain criteria outlined in the legislation.

#### 17. Timely disbursement of income

In the case of Ireland, if a foundation wishes to accumulate capital for more than 2 years, it must first obtain the permission of the Revenue Commissioners.

In 9 other countries, there are requirements concerning the timely disbursement of income (Czech Republic, Finland, Germany, Portugal, Spain, Sweden, Turkey, UK and Ukraine). In the Czech Republic, the court will wind up a foundation that has not fulfilled its purpose/ distributed grants for a period of 2 years. In Germany, the requirement that a foundation spend its income or a certain amount of its income within a certain period of time is found in the tax law. This is also the case in Finland, Sweden, Turkey and Ukraine. In Portugal, a foundation must allocate at least 50% of overall net income to purposes justifying the foundation's tax exemption by the end of the fourth year of activity after which the income was obtained. In Spain and the UK, the requirements are stated in both civil and tax law. In the UK the requirement is that income should be spent within a reasonable period, generally accepted to be 3 years, while in Spain at least 70% of net income must be dedicated to a general interest purpose within 4 years. In Slovakia there is no general requirement, but there is a special requirement related to income received from the tax designation scheme, which must be spent within a certain period.

#### 18. Disbursement of assets

None of the countries surveyed require a foundation to spend a fixed percentage of its assets within a certain period as is the case in the US.

#### 19. Requirements for foundations to receive tax exemptions

All countries surveyed, apart from Romania, provide for some form of special tax treatment for public-benefit purpose foundations. However, there is no common approach to defining the public-benefit criteria that can lead to tax relief. What can qualify as public-benefit in one country might not be considered as such in another. In addition, procedures for obtaining tax privileges vary considerably, e.g. application to the tax authority, decision by the Ministry of Finance, etc. While in some countries (e.g. Belgium, Czech Republic, Finland, France, Luxembourg, Slovenia), tax exemption is automatic, foundations in the majority of European countries require special recognition from the tax authority to receive tax exemption.



## 20. Activities abroad and implications for tax-exempt status

The majority of countries allow foundations to engage in activities abroad without compromising their tax status, but foundations may lose their tax-exempt status if they engage in activities mainly outside of their home country, for example in Austria and Portugal. Of those countries where it is reported that activities abroad do not put the tax exempt status of a foundation at risk, there are 5 with certain caveats (Belgium, France, Germany, Latvia, and Malta). German legislation requires that the activities of a tax-exempt foundation have a positive impact for Germany.

## 21. Donations: Income tax, and gift and inheritance tax

Donations to public-benefit purpose foundations are in general exempt from corporate income tax. In Denmark, however, public-benefit foundations do pay income tax on grants and donations, although this is with the exception of grants/donations given for the purpose of building up the foundation's endowment. Foundations that pursue public-benefit purposes are, in the majority of the countries, also exempt from gift and inheritance tax. In Cyprus, Slovakia, Sweden, and Ukraine, there is no gift/inheritance tax.

## 22. Income from asset administration

In the majority of countries (24), income from asset administration is not taxed. In 5 countries, income from asset administration is taxed (Belgium, Denmark, Italy, Malta, and Turkey). In the case of Turkey, tax is withheld at source. In Denmark, while income from asset administration is taxed, dividends from companies in which the foundation holds at least 10% of the shares are exempt.

## 23. Majority shareholding and its taxation

The rules concerning major shareholding also vary across the countries. Majority shareholding is not allowed in Czech Republic, Hungary and Slovenia. Most national laws allow major shareholding, but active involvement in operational management/exercise of voting rights would lead to taxation as economic activity.

## 24. Income from economic activities

An important point is, of course, the tax treatment of economic activity, of which 3 categories can be found. Some Member States tax all business income in full whether from related activity or unrelated activity. Most countries tax income from unrelated activity but exempt income from related activity in some cases only up to a certain ceiling. Some Member States (e.g. Germany, Hungary, Spain and the UK) go even further as they also exempt unrelated economic activity. However, all those countries mentioned above only exempt small-scale unrelated economic activity.

## 25. Tax treatment of foreign-based foundations

Fifteen countries report that a foreign-based foundation can get the same tax benefits as a national foundation. To take some examples: In Bulgaria and the Czech Republic, EU/European Economic Area based organisations are entitled to the same tax benefits as national foundations. In Switzerland non-profit organisations with their registered offices abroad are entitled to tax privileges under the same conditions as national foundations. In Denmark any foundation can apply to the Danish national tax authorities to be approved as having a public-benefit purpose for certain tax purposes (deductibility of donations made to foundations and other public-benefit organisations). Every year a list is published with the names of all foundations approved as public-benefit. Similarly, in the UK foreign foundations wishing to receive tax exemptions must be registered with the tax authority (HMRC) and thus recognised as being comparable to a UK charity. Some countries, such as France, Greece and Germany, grant comparable tax benefits to foreign foundations only when certain additional criteria are fulfilled.

## 26/27. Tax treatment of individual and corporate donors

Individual and corporate donors are eligible to claim tax relief for charitable donations in most jurisdictions. Only Slovakia has no tax incentives in place for individual or corporate giving, while Finland and Sweden only provide some tax incentives for corporate donors. In some countries, tax exemptions for donations by corporate or individual donors can be claimed only in certain limited circumstances. Some countries, such as Italy, Lithuania,

<sup>2</sup> For further comparative analysis of tax laws in Central and Eastern Europe, please refer to "Survey of Tax Laws affecting Non-Governmental Organisations in Central and Eastern Europe", second edition, International Center for Not-for-Profit Law, 2003.

Poland, Portugal, Slovakia and Spain have percentage schemes where an individual donor can choose to allocate a certain percentage of their payable taxes to a designated public-benefit organisation.

#### 28. Tax treatment of cross-border donations<sup>3</sup>

In many countries, donations to non-resident foundations do not qualify for tax relief to the donor, to some degree. However, the extent of the incentives and the requirements to claim them vary between countries. Several countries only grant tax incentives for donations to foreign public-benefit organisations if the organisations are locally registered (for example, Austria, Denmark, and the Netherlands).

Within the European Union, the European Commission has been active in initiating infringement procedures against Member States whose tax treatment of donations to public-benefit organisations varies according to whether or not the recipient organisation/donor is domestic or foreign based. The Commission has deemed such provisions to be discriminatory and in breach of the Treaty on the Functioning of the European Union. In recent years,

The above general overview highlights only some of the overall trends in foundation laws across the countries surveyed. Please read the profiles themselves to learn more about the different legal and fiscal environments for foundations across Europe.

several Member States have amended their legislation in response to such procedures (for example, Belgium, Poland, the Netherlands, and the UK). In some cases (such as Belgium and the Netherlands) amended provisions on this issue continue to impose what the Commission considers to be unnecessary restrictions and further requests for changes to the legislation have been issued. In Slovakia and Sweden, no tax incentives are available for cross-border donations, reflecting the absence of such incentives for local giving.

Outside of the EU, donations by residents of Switzerland, Turkey and Ukraine to non-resident public-benefit organisations are not tax deductible for the donor. In Switzerland, the law provides that the receiving organisation must have its registered office in Switzerland in order for Swiss resident donors to receive tax benefits for making a gift. In Turkey, non-resident public-benefit organisations are not accepted as meeting public-benefit criteria, while in Ukraine donations to both non-resident organisations and the representative offices of foreign foundations do not qualify for tax incentives.

<sup>3</sup> Detailed information about cross-border giving can be found on the King Baudouin Foundation's Giving in Europe website: [www.givingineurope.org](http://www.givingineurope.org)

# **COUNTRY BY COUNTRY COMPARATIVE CHARTS**

# 1. PURPOSE OF A FOUNDATION

COUNTRY	WHAT PURPOSE ARE FOUNDATIONS LEGALLY PERMITTED TO PURSUE?
<b>Austria</b>	Both public and private benefit purposes are permitted.
<b>Belgium</b>	Both public and private benefit purposes are permitted.
<b>Bulgaria</b>	Both public and private benefit purposes are permitted.
<b>Cyprus</b>	Both public and private benefit purposes are permitted according to the type of organisation.
<b>Czech Republic</b>	Public-benefit purposes only.
<b>Denmark</b>	Both public and private benefit purposes are permitted.
<b>Estonia</b>	Both public and private benefit purposes are permitted.
<b>Finland</b>	Both public and private benefit purposes are permitted.
<b>France</b>	Public-benefit purposes only.
<b>Germany</b>	Both public and private benefit purposes are permitted.
<b>Greece</b>	Both public and private benefit purposes are permitted.
<b>Hungary</b>	Both public and private benefit purposes are permitted.
<b>Ireland</b>	Public-benefit purposes only.
<b>Italy</b>	Both public and private benefit purposes are permitted.
<b>Latvia</b>	Both public and private benefit purposes are permitted.
<b>Lithuania</b>	Public-benefit purposes only.
<b>Luxembourg</b>	Public-benefit purposes only.
<b>Malta</b>	Both public and private benefit purposes are permitted.
<b>Netherlands</b>	Both public and private benefit purposes are permitted.
<b>Poland</b>	Public-benefit purposes only.
<b>Portugal</b>	Public-benefit purposes only.
<b>Romania</b>	Public-benefit purposes only.
<b>Slovakia</b>	Public-benefit purposes only.
<b>Slovenia</b>	Public-benefit purposes only.
<b>Spain</b>	Public-benefit purposes only.
<b>Sweden</b>	Both public and private benefit purposes are permitted.
<b>United Kingdom</b>	Public-benefit purposes only.
<i>Switzerland</i>	Both public and private benefit purposes are permitted.
<i>Turkey</i>	Both public and private benefit purposes are permitted.
<i>Ukraine</i>	Both public and private benefit purposes are permitted.

## 2. MINIMUM CAPITAL

COUNTRY	IS A MINIMUM CAPITAL REQUIRED TO ESTABLISH A FOUNDATION?	AMOUNT
<b>Austria</b>	<u>Public-benefit foundations</u> : No fixed amount, but enough to pursue the foundation's purpose(s). <u>Private foundations</u> : Yes.	€70,000 (private foundations)
<b>Belgium</b>	<u>Public-benefit foundations</u> : Yes. <u>Private foundations</u> : No.	€25,000 (public-benefit foundations)
<b>Bulgaria</b>	No	-
<b>Cyprus</b>	No	-
<b>Czech Republic</b>	<u>Foundations</u> : Yes. <u>Endowment funds</u> : No.	€18,000 (foundations)
<b>Denmark</b>	Yes, although approval from the Ministry of Justice can be sought for organisations with smaller assets.	€34,000 (non-commercial foundations); €40,000 (commercial foundations)
<b>Estonia</b>	No	-
<b>Finland</b>	Yes	€25,000
<b>France</b>	No minimum set in the legislation, although in practice state authorities do set a requirement for public utility foundations. No minimum for endowment funds.	€1 million for public utility foundations
<b>Germany</b>	No minimum set in the legislation, although in practice state authorities do usually set a requirement.	€50,000
<b>Greece</b>	No fixed amount, but enough to pursue the foundation's purpose(s).	-
<b>Hungary</b>	No minimum set in the legislation, although in practice state authorities do usually set a requirement.	€400 - €1,000
<b>Ireland</b>	No	-
<b>Italy</b>	No minimum set in the legislation, although in practice state authorities do usually set a requirement.	€100,000
<b>Latvia</b>	No	-
<b>Lithuania</b>	No	-
<b>Luxembourg</b>	No minimum set in the legislation, although in practice state authorities do usually set a requirement.	€100,000
<b>Malta</b>	Yes	€232.94 (exclusively as social purpose or as non-profit making foundations); €1,164.69 (other foundations)
<b>Netherlands</b>	No	-
<b>Poland</b>	No, unless the foundation plans to engage in economic activities.	€265 (only for foundations planning to engage in economic activities)
<b>Portugal</b>	No minimum set in the legislation, although in practice state authorities do usually set a requirement.	€250,000
<b>Romania</b>	Yes	Initial capital must include assets whose value is at least 100 times the minimum gross national salary, around €10,000

COUNTRY	IS A MINIMUM CAPITAL REQUIRED TO ESTABLISH A FOUNDATION?	AMOUNT
<b>Slovakia</b>	Yes	€6,638.78
<b>Slovenia</b>	No	-
<b>Spain</b>	Yes, although state authorities may increase or decrease the amount required.	€30,000
<b>Sweden</b>	No	-
<b>United Kingdom</b>	No	-
<i>Switzerland</i>	No minimum set in the legislation, although in practice state authorities do usually set a requirement.	€38,750
<i>Turkey</i>	Yes, as determined yearly by the supervisory authority.	€25,000
<i>Ukraine</i>	No	-

### 3. STATE APPROVAL

COUNTRY	IS STATE APPROVAL REQUIRED IN ORDER TO SET UP A FOUNDATION?	IF YES, DOES THAT STATE AUTHORITY HAVE DISCRETION IN THIS MATTER?
<b>Austria</b>	Public-benefit foundations: Yes. Private foundations: No, but court registration.	No
<b>Belgium</b>	Public-benefit foundations: Yes	No
<b>Bulgaria</b>	No, but court registration	-
<b>Cyprus</b>	Yes, depending on the type of organisation	Yes
<b>Czech Republic</b>	No, but court registration	-
<b>Denmark</b>	No, but registration	-
<b>Estonia</b>	No, but registration	-
<b>Finland</b>	Yes and registration	No
<b>France</b>	Public-benefit foundation: Yes. Corporate foundation: Yes. Endowment fund: No.	Foundation: Yes. Endowment fund: n/a.
<b>Germany</b>	Yes	No
<b>Greece</b>	Yes	Yes
<b>Hungary</b>	No, but court registration	-
<b>Ireland</b>	No, but If a charity number is required for tax purposes, they must register with the Revenue Commissioners.	-
<b>Italy</b>	No, but registration	-
<b>Latvia</b>	No, but registration	-
<b>Lithuania</b>	No, but the articles of the association must be approved by a notary, prior to registration in the Legal Entities' Register, which is run by the state.	-
<b>Luxembourg</b>	Yes, and registration	Yes, with judicial view
<b>Malta</b>	Registration with the Registrar for Legal Persons is required.	Yes
<b>Netherlands</b>	No, but registration	-
<b>Poland</b>	No, but court registration. A permit of the minister is needed if a foreign organisation establishes an office in Poland.	-
<b>Portugal</b>	Yes and registration	Yes
<b>Romania</b>	No, but court registration	-
<b>Slovakia</b>	No, but registration	-
<b>Slovenia</b>	Yes and registration	No
<b>Spain</b>	Yes and registration	No
<b>Sweden</b>	No, but registration	-
<b>United Kingdom</b>	No, but registration with the Charity Commission, a Non-Ministerial Government Department, is required.	No
<i>Switzerland</i>	No, but registration (except for family and ecclesiastical foundations)	No
<i>Turkey</i>	Yes and court registration	Yes
<i>Ukraine</i>	Public-benefit foundations: Yes. Private foundations: No.	No



## 4. REGISTRATION

COUNTRY	REGISTRATION REQUIRED?	REGISTER PUBLICALLY AVAILABLE?
<b>Austria</b>	Public-benefit foundations: Yes (state). Private foundations: Yes (court).	Yes
<b>Belgium</b>	Yes (court)	Yes
<b>Bulgaria</b>	Yes (court)	Yes
<b>Cyprus</b>	Yes	No
<b>Czech Republic</b>	Yes (court)	Yes
<b>Denmark</b>	Yes (state)	Yes
<b>Estonia</b>	Yes (state)	Yes
<b>Finland</b>	Yes (state)	Yes
<b>France</b>	No	-
<b>Germany</b>	Depends on federal state law	Yes
<b>Greece</b>	No	-
<b>Hungary</b>	Yes (court)	Yes
<b>Ireland</b>	Yes (Revenue Commission)	Yes
<b>Italy</b>	Yes (state)	Yes
<b>Latvia</b>	Yes (state)	Yes
<b>Lithuania</b>	Yes (state enterprise)	Yes
<b>Luxembourg</b>	Yes (state)	Yes
<b>Malta</b>	Yes (register for legal persons)	Yes, but in the case of a private foundation access to certain documents is restricted.
<b>Netherlands</b>	Yes (Register at Chamber of Commerce)	Yes
<b>Poland</b>	Yes (court)	Yes
<b>Portugal</b>	Yes (state)	No
<b>Romania</b>	Yes (court)	Yes
<b>Slovakia</b>	Yes (state)	Yes
<b>Slovenia</b>	Yes (state)	Yes
<b>Spain</b>	Yes (state)	Yes
<b>Sweden</b>	Yes (state)	Yes
<b>United Kingdom</b>	Yes (Charity Commission)	Yes
<i>Switzerland</i>	Yes (state) except family and ecclesiastical foundations	Yes
<i>Turkey</i>	Yes (court and state)	No
<i>Ukraine</i>	Yes (state)	Yes

## 5. SPENDING DOWN OF CAPITAL

COUNTRY	ARE FOUNDATIONS ALLOWED TO SPEND DOWN THEIR CAPITAL?
<b>Austria</b>	<u>Private foundations</u> : Yes. <u>Public-benefit foundations</u> : No.
<b>Belgium</b>	Yes
<b>Bulgaria</b>	Yes
<b>Cyprus</b>	Yes
<b>Czech Republic</b>	<u>Foundations</u> : No, the value must not decrease to below the value registered in the register. <u>Endowment funds</u> : Yes.
<b>Denmark</b>	No
<b>Estonia</b>	Yes
<b>Finland</b>	Yes
<b>France</b>	Yes. Endowment funds may also spend down their capital but in such cases, they become liable to tax.
<b>Germany</b>	Generally no, unless the founder so provides in the statutes.
<b>Greece</b>	Yes
<b>Hungary</b>	Yes
<b>Ireland</b>	Yes
<b>Italy</b>	Generally yes, but foundations of banking origin should preserve the value of their endowment and obtain an adequate return.
<b>Latvia</b>	Yes, if provided for by the foundation's statutes.
<b>Lithuania</b>	Yes
<b>Luxembourg</b>	Yes
<b>Malta</b>	Yes
<b>Netherlands</b>	Yes
<b>Poland</b>	Yes
<b>Portugal</b>	Yes
<b>Romania</b>	No reference is made to this in the legislation.
<b>Slovakia</b>	No, the amount of registered nominal capital may not be reduced.
<b>Slovenia</b>	No
<b>Spain</b>	<i>Information pending</i>
<b>Sweden</b>	No, in general foundations' statutes only allow them to spend their return.
<b>United Kingdom</b>	Yes, subject to any restrictions in the governing document.
<i>Switzerland</i>	Yes
<i>Turkey</i>	There is no regulation on this but it is not encouraged – generally foundations are expected to seek to increase their capital.
<i>Ukraine</i>	Yes

## 6. ECONOMIC ACTIVITIES

COUNTRY	ARE ECONOMIC ACTIVITIES (RELATED/UNRELATED TO THE PUBLIC-BENEFIT PURPOSE) PERMITTED?
<b>Austria</b>	<u>Public-benefit foundations</u> : Yes, if within the objectives of the foundation. <u>Private foundations</u> must not engage in primarily commercial activities. They can have ancillary economic activities such as museum shops or restaurants.
<b>Belgium</b>	Yes, provided that the activities have a non-profit purpose and the profits are exclusively used for statutory purposes.
<b>Bulgaria</b>	Yes, if related to the purpose of the foundation and if the revenues are used for the purpose of attaining the objectives set forth in the statutes. Economic activities must be ancillary.
<b>Cyprus</b>	Generally yes, depending on the type of organisation. Where permitted activities must be in line with the organisation's purposes/statutes.
<b>Czech Republic</b>	No, a foundation is prohibited from doing business under its own name, save for real estate leases, organising lotteries, raffles, public collections, cultural, social, sports and educational events.
<b>Denmark</b>	Non-commercial foundations may carry out small-scale economic activities. Foundations that conduct considerable commercial activities or have controlling interest in commercial enterprises are regulated by the Act on Commercial Foundations.
<b>Estonia</b>	Yes. Economic activities are allowed, but the foundation may use its income only for purposes specified by its statutes.
<b>Finland</b>	Yes, if such activity is stipulated in the statutes and is directly related to the foundation's purpose. Economic activities must be ancillary.
<b>France</b>	Yes, provided the activities support the public-benefit purpose of the foundation/endowment fund.
<b>Germany</b>	Yes. Related and unrelated economic activity is allowed. If the annual income from unrelated economic activity does not exceed €35,000, it is not taxed.
<b>Greece</b>	Yes, provided that the activities are within the objectives of the foundation.
<b>Hungary</b>	Yes, related and unrelated activities are allowed, provided that the foundation is not established for the principal purpose of performing economic activities and that the activities are conducted in pursuit of the foundation's public-benefit purpose.
<b>Ireland</b>	Yes, provided that the activities are in support of the organisation's charitable purpose.
<b>Italy</b>	Yes, foundations can undertake economic activities if they are ancillary and not in conflict with the organisation's objectives. There are specific rules depending in the type of organisation. <u>ONLUS</u> (Organizzazione Non Lucrativa di Utilita' Sociale/non-profit organisation) can carry out only specific institutional activities or directly purpose-related economic activities if non-dominant. <u>Foundations of banking origin</u> can carry out purpose-related economic activities only.
<b>Latvia</b>	Yes. Economic activities, related and unrelated, but income generated must be used for achieving the aims of the foundation.
<b>Lithuania</b>	Yes. Economic and commercial activities which are not prohibited by the law and which do not contravene a foundation's articles of association or the purposes of its activity and which are necessary to attain the organisation's objectives are permitted.

COUNTRY	ARE ECONOMIC ACTIVITIES (RELATED/UNRELATED TO THE PUBLIC-BENEFIT PURPOSE) PERMITTED?
<b>Luxembourg</b>	Yes. Economic activities are permitted, but are taxed. A foundation may not have the primary goal of conducting commercial activities.
<b>Malta</b>	No, but some exceptions exist.
<b>Netherlands</b>	Yes. Commercial activities are allowed provided they are within the objectives of the foundation, but are taxed.
<b>Poland</b>	Yes, both related and unrelated activities are allowed, but a minimum capital of 1,000 PLN (approx. €240) is required.
<b>Portugal</b>	Yes, provided that the activities are useful to the pursuance of the foundation's purpose.
<b>Romania</b>	Yes, provided that they are ancillary and are closely connected to the main purpose of the organisation. Economic activities up to an annual limit of €15,000 profit are permitted.
<b>Slovakia</b>	No, but with certain exceptions. A foundation cannot engage in commercial activities except for leasing out real estate and organising cultural, educational, social or sports events, if its assets will be used more efficiently in such a way and if such activities are in accordance with the public-benefit purpose promoted and pursued by the foundation.
<b>Slovenia</b>	Yes, but the income generated must amount to less than 30% of the foundation's total income.
<b>Spain</b>	Yes, provided that the activities are related to the aim of the foundation or are complementary to it.
<b>Sweden</b>	Yes, provided that the activities are in line with the purpose for which the foundation was established.
<b>United Kingdom</b>	Yes, if the activities are pursued in furtherance of the charitable purposes of the organisation (so-called "primary purpose trading"). If charities wish to conduct more than a nominal amount of non-primary purpose trading activity, they must use a non-charitable trading subsidiary company to conduct such activities.
<i>Switzerland</i>	Yes, within the limits of a "self-purpose foundation" and some tax restraints if tax exemption is sought.
<i>Turkey</i>	Yes. A foundation may establish and incorporate economic enterprises or firms so as to promote its goals and to generate revenues.
<i>Ukraine</i>	Yes. <u>Public-benefit foundations</u> : related economic activities are permitted provided that they fall within the purposes and objectives of the foundation. <u>Private foundations</u> can engage in related economic activities that fall within their statutory purposes and objectives, while their primary activities are not-for-profit.

## 7. GOVERNING ORGANS OF A FOUNDATION

COUNTRY	GOVERNING BOARD REQUIRED?	MINIMUM NUMBER OF GOVERNING BOARD MEMBERS?	SUPERVISORY BOARD MANDATORY?
<b>Austria</b>	Yes	3 for <u>private foundations</u> and 1 for <u>public-benefit foundations</u>	Private foundations only
<b>Belgium</b>	Yes	3	No
<b>Bulgaria</b>	Yes	3	No
<b>Cyprus</b>	Yes	<u>Companies limited by guarantee</u> : 2	No
<b>Czech Republic</b>	Yes	Number divisible by 3	Yes, for larger foundations and endowment funds. For smaller foundations: A single supervisory body (controller).
<b>Denmark</b>	Yes	3	No
<b>Estonia</b>	Yes	1	Yes
<b>Finland</b>	Yes	3	No
<b>France</b>	Yes	3	No
<b>Germany</b>	Yes	1	No
<b>Greece</b>	Yes	1	No
<b>Hungary</b>	Yes	1	Yes for larger foundations
<b>Ireland</b>	Yes	3	No
<b>Italy</b>	Yes	1	Yes for certain kinds of foundation
<b>Latvia</b>	Yes	3	No
<b>Lithuania</b>	Yes	-	No
<b>Luxembourg</b>	Yes	3	No
<b>Malta</b>	Yes	<u>Purpose foundations</u> : 3 individuals or 1 juridical person. <u>Private foundations</u> : 1.	No
<b>Netherlands</b>	Yes	1	No
<b>Poland</b>	Yes	1	Yes
<b>Portugal</b>	Yes	1	Yes
<b>Romania</b>	Yes	3	No
<b>Slovakia</b>	Yes	3	Yes for larger foundations
<b>Slovenia</b>	Yes	3	No
<b>Spain</b>	Yes	3	No
<b>Sweden</b>	Yes	1	No
<b>United Kingdom</b>	Yes	<u>Incorporated company (private)</u> : 1. <u>Incorporated company (public)</u> : 2. In practice suggested minimum of 3.	No
<i>Switzerland</i>	Yes	1	No
<i>Turkey</i>	Yes	1	No
<i>Ukraine</i>	Yes	1	Yes

## 8. REMUNERATION OF BOARD MEMBERS

COUNTRY	IS REMUNERATION OF BOARD MEMBERS ALLOWED IN CIVIL AND/OR TAX LAW? IF YES, WHAT ARE THE LIMITS?
<b>Austria</b>	Yes, reasonable remuneration of board members is allowed under tax law with no defined statutory maximum amount. Civil law also allows reasonable remuneration of board members of <u>public-benefit foundations</u> if this is foreseen in the statutes (no statutory maximum amount). The foundation authority has to approve remuneration. If remuneration is not foreseen in the statutes, board members have to work on an honorary basis. In civil law, board members of <u>private foundations</u> are generally entitled to earn remuneration, but unreasonably high remuneration will exclude them from tax exemption.
<b>Belgium</b>	Yes, reasonable remuneration is allowed.
<b>Bulgaria</b>	Yes, no explicit restriction.
<b>Cyprus</b>	Yes, no explicit restriction and amounts must be bona fide.
<b>Czech Republic</b>	Yes, but the administrative and operational expenditures (including remuneration of board members) of a foundation or endowment fund are limited. In the case of a foundation, this rule may be expressed as a percentage of the yield from the endowment, a percentage of the total endowment value or a percentage of the total yearly value of the grants made by the foundation to third persons. In the case of an endowment fund, the rule may be expressed as a percentage of the yield from the property of the fund, a percentage of the total assets of the fund or a percentage of the total yearly value of the grants made by the fund to third persons.
<b>Denmark</b>	Yes, reasonable remuneration of board members is allowed. The foundation supervisory authority may recover any remuneration which goes beyond this limit.
<b>Estonia</b>	Yes, reasonable remuneration of board members is allowed.
<b>Finland</b>	Yes, this is allowed in both civil and tax law, but it must be reasonable in terms of size and assets of the foundation.
<b>France</b>	<b>No</b> , board members can benefit from a refund of their business expenses only if provided by the foundation's internal regulations.
<b>Germany</b>	Yes, reasonable remuneration of board members is allowed, if this is explicitly allowed by the foundation's statutes.
<b>Greece</b>	<b>No</b> . Board members are obliged to perform their services gratuitously, according to both civil and tax law.
<b>Hungary</b>	Yes, remuneration is allowed and there are no limits. The sum of the remuneration depends on the decision of the board of trustees.
<b>Ireland</b>	<b>No</b> , remuneration of board members is not allowed for organisations seeking charitable tax exemption. Reimbursement of expenses is permitted.
<b>Italy</b>	Yes, in civil law it is allowed. According to tax law, remuneration of board members is allowed up to a threshold provided by law.
<b>Latvia</b>	Yes, it is allowed. For public-benefit organisations, civil law stipulates that remuneration must be reasonable.
<b>Lithuania</b>	<b>No</b> . Members of the fund's collegiate bodies stipulated in the articles of association, which are not its managing bodies, cannot be remunerated for their activities.
<b>Luxembourg</b>	<b>No</b> , but board members can have their costs reimbursed.
<b>Malta</b>	The Maltese Civil Code states that administrators (board members) may be remunerated for their services from the income or capital of the foundation, unless the deed of foundation states otherwise. The Voluntary Organisations Act states that where the foundation qualifies as a voluntary organisation, the administrators cannot receive remuneration for the services they provide as administrators but they may receive a reasonable honorarium.

COUNTRY	IS REMUNERATION OF BOARD MEMBERS ALLOWED IN CIVIL AND/OR TAX LAW? IF YES, WHAT ARE THE LIMITS?
<b>Netherlands</b>	Yes, remuneration is allowed when this is in accordance with the statutory provisions of the foundation. In the tax law, remuneration of board members is allowed. If a foundation wants to be qualified as a charitable institution, remuneration of board members is only allowed for reimbursement of expenses, carrying out work, or attending meetings.
<b>Poland</b>	Yes, remuneration of board members is allowed, but if the foundation has public-benefit status there is a limit on the reimbursement of its supervisory organ as set out in Article 8 paragraph 8 of the Act of Law of 3 March 2000 on the remuneration of individuals managing certain corporate entities.
<b>Portugal</b>	Yes, the Decree-Law 119/83, 25 February, on private social welfare institutions, deals with the question: "When the volume of financial transactions or the complexity of the administration of the institutions requires the extended presence of one or more members of the managing bodies, these may be remunerated, provided that the statutes so permit."
<b>Romania</b>	<b>No</b>
<b>Slovakia</b>	Yes, in civil law. Board members can be reimbursed for the costs and expenses incurred by them in the course of performance of their tasks as a board member.
<b>Slovenia</b>	<b>No</b>
<b>Spain</b>	<b>No</b> , board members/trustees cannot be paid for being part of the governing board. They, however, can be remunerated for any other professional services provided to the foundations as long as: the founder has not expressly forbidden it, these services involve a significant contribution to the foundation, and it has been authorised by the Protectorate.
<b>Sweden</b>	Yes, remuneration is allowed in civil law. The remuneration must be reasonable.
<b>United Kingdom</b>	Yes, the payment of reasonable remuneration to board members is allowed where permitted by the foundation's governing instrument or otherwise authorised by a court or regulatory body. There are no monetary limits in civil law or tax law.
<i>Switzerland</i>	<b>No</b> limits in civil law. However, the tax authorities expect the board members of tax-exempt foundations to be working on an honourary basis, though expenses should be repaid. Only if board members render services that step outside of their obligations as board members, can remuneration in line with market conditions be paid.
<i>Turkey</i>	Yes, board members can be remunerated according to the provisions of the foundation's statutes. However, it is a widespread practice that the board members of foundations receive either no remuneration or considerably lower remuneration than their peers in the private sector.
<i>Ukraine</i>	Board members of a public-benefit foundation are only allowed to receive refunds of expenses. Only remuneration for directors or presidents of boards is allowed. No foundation's assets or income may be distributed to its founder(s) or officers, or used for the benefit of the founder(s) or officers, except in the form of salaries for any other professional services provided to the public-benefit foundation. No explicit restrictions for private foundations.



## 9. CONFLICT OF INTEREST

COUNTRY	ARE THERE RULES AGAINST CONFLICT OF INTEREST OF BOARD MEMBERS?
<b>Austria</b>	Information pending
<b>Belgium</b>	Yes
<b>Bulgaria</b>	<b>No</b>
<b>Cyprus</b>	Yes
<b>Czech Republic</b>	Yes
<b>Denmark</b>	Information pending
<b>Estonia</b>	Yes
<b>Finland</b>	Yes
<b>France</b>	Yes
<b>Germany</b>	Yes
<b>Greece</b>	Yes
<b>Hungary</b>	Yes
<b>Ireland</b>	Yes
<b>Italy</b>	Yes
<b>Latvia</b>	Yes
<b>Lithuania</b>	Yes
<b>Luxembourg</b>	<b>No</b>
<b>Malta</b>	Yes
<b>Netherlands</b>	<b>No</b> , but civil law prohibits the conflict of interest of a director for the private or public limited company (BV or NV). In Dutch literature it is argued that this prohibition also applies to foundations and associations.
<b>Poland</b>	Yes
<b>Portugal</b>	Yes
<b>Romania</b>	<b>No</b>
<b>Slovakia</b>	<b>No</b>
<b>Slovenia</b>	Information pending
<b>Spain</b>	Information pending
<b>Sweden</b>	Yes
<b>United Kingdom</b>	Yes
<i>Switzerland</i>	<b>No</b> , only according to the statutes.
<i>Turkey</i>	<b>No</b> , only according to the statutes.
<i>Ukraine</i>	<b>No</b>

## 10. REPORTING REQUIREMENTS

COUNTRY	WHAT ARE REQUIREMENTS WITH REGARD TO REPORTING AND ACCOUNTABILITY ?
<b>Austria</b>	<u>Public foundations</u> : Yearly accounts to be sent to the foundation authority. <u>Private foundations</u> : An accountant appointed by the court or the supervisory board reviews the yearly financial report.
<b>Belgium</b>	<u>Small private foundations and public utility foundations</u> : Accounts and annual budgets with the clerk's office of the commercial court. <u>Large private foundations</u> : Accounts, information on board members and the report of the statutory auditors to be filed with the National Bank of Belgium. All foundations must keep yearly accounts, if they are of a certain size. The income tax return should be filed at the local tax inspection office.
<b>Bulgaria</b>	A report on its financial activities to the National Statistical Institute by 31 March each year. Foundations engaged in economic activities must also submit a financial report to the national revenue agency. In addition foundations registered as public-benefit organisations must submit a report on their activities to the Central Registry at the Ministry of Justice. The annual activity report and the accounts should be submitted in a paper version and electronically. They are open to public inspection.
<b>Cyprus</b>	<u>Charitable Trusts</u> : The trustees must submit to the Administrative Secretary: Account of the gross income arising for the benefit of the charity during the year ending on 31 December, account of all balances on hand at the beginning of every year and all monies received during the same year, account for the same period of all payments, account of all monies owed to or by the charity as far as is conveniently possible. <u>Societies</u> : Unless the Articles of Association provide otherwise, the meeting of members is the reporting body within a society, including taking decisions on appointment of auditors and approval of the balance sheet. <u>Associations</u> : The reporting body are the members of its management who are also obliged to keep accurate and complete accounts. The Court has the discretion at any time to order the audit of the accounts of an Association. <u>Companies Limited by Guarantee</u> : A Company must file its annual audited accounts and its annual returns with the Company Registrar and its annual audited accounts also with the Income Tax Department.
<b>Czech Republic</b>	A foundation/endowment fund must compile its annual report including financial information and file it with the register court. The report is public. The annual report outlines the activities of the foundation. It must include: An outline of assets and liabilities of the foundation; an outline of the use of the property of the foundation; information regarding beneficiaries; an assessment of whether the foundation adheres to the administrative cost-curbing rule in its economic performance; an assessment of basic disclosures contained in the annual financial statements and the auditor's opinion supplemented by significant findings from the audit report (the annual financial statements constitute an appendix to the annual report).
<b>Denmark</b>	Annual accounts of <u>commercial foundations</u> are governed by the same rules that apply to non-listed limited companies. <u>Non-commercial foundations</u> : Annual reports must be filed with local tax authorities.
<b>Estonia</b>	An annual report including details of finances and activities must be submitted to the Registry of Non-Profit Organisations and Foundations. Anyone stated by the statutes to be a beneficiary, or anyone with any other legitimate interest, has the right to access the annual reports and accounts. Foundations that have public-benefit status must also submit a report on their public-benefit activities to the Tax and Customs Board.
<b>Finland</b>	Foundations have to maintain accounts and submit annual reports to the registration authority. Recognition of tax-exempt status requires ongoing non-profit activities and is conferred annually by the tax authorities. The following should be sent to the tax authorities: Tax return (only if tax return forms are sent to the foundation), list of individual grantees (for grants of € 1,000 or more), report on received donations and their usage (only donations that are deductible by the donor).
<b>France</b>	Art. 16 of the Model Statute requires that all public utility foundations file an annual report and financial statements with both the competent Prefet and the Ministry of the Interior. <u>Corporate foundations</u> and <u>endowment funds</u> must file their annual report and financial statements with the administrative authorities. Foundations engaged in public fundraising must also make publicly available a special report that details all the funds raised from the public and the use of such funds.

COUNTRY	WHAT ARE REQUIREMENTS WITH REGARD TO REPORTING AND ACCOUNTABILITY ?
<b>Germany</b>	Foundations must present annual reports to the relevant state authorities according to the laws of the Bundesländer, and if they wish to receive tax privileges, to the relevant financial authorities. Tax-exempt status is reviewed every three years. Foundations are not legally requested to make the information publicly available.
<b>Greece</b>	Annual budgets and statements of accounts of revenue and expenses must be made and filed with the Ministry of Finance. <u>Public-benefit foundations</u> must work with an annual budget. The budget must be approved by the Ministry of Finance in advance. A balance sheet for the assets and liabilities of the foundation must be prepared.
<b>Hungary</b>	<u>Public-benefit organisations</u> (PBOs) shall publish their report on public-benefit activities which shall contain the following: Accounting report, utilisation of budgetary subsidies, a statement on the use of property assets, a statement on designated provisions, amounts of subsidies received from budgetary organs, off-budget state funds, local governments or associations of community local governments, or from agencies of such, the value or amount of any remuneration extended to the senior officers of the PBO, and a brief description of the public-benefit activities.
<b>Ireland</b>	Under the new Charities Act annual returns and annual activity reports are to be handed over to the new Charities Regulatory Authority (CRA). The information will be publicly available, except in the case of private foundations, where no funding is raised from the public.
<b>Italy</b>	Foundations have to write and file an annual activity and financial report. Commercial activities must be specifically and separately accounted as required by the law for commercial enterprises. Bookkeeping of <u>ONLUS</u> , <u>music foundations</u> and <u>foundations of banking origin</u> is substantially the same as for commercial bodies. Foundations of banking origin must draft (as part of the annual report) a public-benefit report (called bilancio di missione) to be sent to the Supervisory Authority.
<b>Latvia</b>	<u>Foundations with public-benefit status</u> must submit a report of activities during the financial year and activity plans for the coming year. The required documents are: Annual report of finances (balance sheet, income/expenditure report and donation report) must be submitted. For public-benefit organisations: Public-benefit report, including detailed report on expenditure of donations and plans for the coming year.
<b>Lithuania</b>	An annual report on activities is filed at the request of any legal or natural person, the fund makes the report available at the registry office or in any other manner. The report on the fund's activities should include information about the fund's activities aimed at attaining the objectives specified in the articles of association, the number of stakeholders at the end of the financial year, the annual financial accounts of the fund, and the number of the fund's employees at the end of the financial year.
<b>Luxembourg</b>	The directors of foundations have to submit accounts and the budget to the Ministry of Justice every year. The annual accounts must be published in the Mémorial. Foundations' written acts (invoices, announcements, publications) must include the name of the foundation together with the word "foundation", the mention of the foundation's legal seat as well as the registration number in the registre de commerce et des sociétés, Luxembourg.
<b>Malta</b>	Administrators of foundations must keep accounts. There is no requirement to submit such accounts to the Registrar for Legal Persons when applying for the registration of the foundation and annually thereafter. The accounts, reports and records must be held for a period of ten years after the relevant annual period to which they refer. Where the foundation applies for enrolment with the Commissioner for Voluntary Organisations, the foundation would have to submit its annual accounts to the Commissioner and annually thereafter, if it is enrolled. Such annual accounts are publically available.

COUNTRY	WHAT ARE REQUIREMENTS WITH REGARD TO REPORTING AND ACCOUNTABILITY ?
<b>Netherlands</b>	The board has the duty to maintain financial records (a balance sheet and a statement of revenues and expenditures of the foundation). These records have to be kept for 7 years. In principle every commercial foundation has to publish its annual accounts within 8 days after they are approved. A commercial foundation whose net turnover totals less than €8.8 million and whose assets do not exceed the value of €4.4 million over 2 consecutive years could be exempted from the obligatory publication of accounts.
<b>Poland</b>	A foundation is required to submit a detailed annual activity and financial report to the minister relevant to the purpose of the foundation. An annual financial report should also be submitted together with the annual tax report, to the fiscal authorities. If a foundation runs economic activity, the financial information must be sent to registry of enterprises. A <u>public-benefit foundation</u> must also submit a narrative and financial report to the relevant ministry (Minister of Social Policy). A foundation that runs street collections must provide a detailed report on expenditure of money raised to the Ministry of Interior.
<b>Portugal</b>	Legal entities of public utility must send to the Secretary-General of the Presidency of the Council of Ministers, by electronic mail the annual report and accounts of the previous year, within a period of six months after these have been approved. This information is publicly available.
<b>Romania</b>	Annual balance sheets must be submitted to the authorities.
<b>Slovakia</b>	The foundation shall send a copy of its annual report to the Ministry. The foundation shall send the auditor's report for publication in the official Commercial Journal. The annual report shall include: A summary of activities engaged in, and their connection with the public-benefit purpose pursued by the foundation, annual accounts, analysis of the basic data, and the auditor's report on the annual account, a summary of income; a list of donors if the value of the gift or contribution from one donor exceeds €3,319.39, a list of grantees, as well as information on how the donations have been used; total expenses itemised according to individual types of activities engaged in and the administration expenses; any changes to the statutes or in the composition of its governing bodies; the executive director's remuneration, and remuneration due and payable to members of any other governing body, a summary of investment activity and of monies deposited in the funds; any other information specified by the board of trustees. The foundation shall keep its books under a separate legal rule and monies deposited in the foundation fund shall be kept in the foundation's books separately.
<b>Slovenia</b>	The foundation shall keep accounts and produce annual reports which must be filed with the body competent for foundations.
<b>Spain</b>	Annual reports must be submitted to the Protectorate (state supervisory authority), which then sends it to the Public Register where it is available to the public. Foundations must also present annual action plans to the appropriate administrative authority, which will be deposited in the Register of Foundations.
<b>Sweden</b>	Foundations (such as foundations with assets of over 1.5 million Swedish Crowns, foundations that conduct business, and foundations set up by the state or municipality) must for each financial year prepare an annual report including an annual activity report, income statements, balance sheets and notes. The annual activity report shall in general terms describe how the purpose has been promoted during the past fiscal year. Smaller foundations must make a statement of their accounts. All foundations must submit an annual tax declaration to the tax office.
<b>United Kingdom</b>	All registered charities must prepare an annual return or an annual update (depending on their income) and accounts (which should be publically available) and depending on the level of their income return this information to the Commission. This must include an updated list of charity trustees, annual accounts and an annual report. If the Charity has an annual income of 1 million GBP or more, then a Summary Information Return ("SIR") must also be completed.

COUNTRY	WHAT ARE REQUIREMENTS WITH REGARD TO REPORTING AND ACCOUNTABILITY ?
<i>Switzerland</i>	If the foundation has an impact on all of Switzerland, the Confederation will be the supervisory authority. On this federal level, non-profit foundations are supervised by the General Secretary of the Federal Department of the Interior. It demands an activity report, annual financial statements, audit report (where the foundation is obliged to be audited), list of the board members, and the board's approval of the annual reports. The cantons may subject foundations with an impact only on one canton to supervision at the cantonal level. The internal cantonal jurisdiction of the supervisory authorities is regulated by the cantonal laws. Tax reports have to be submitted to the tax authorities. The supervisory authority does not decide about tax exemptions.
<i>Turkey</i>	An annual report is submitted to the General Directorate of Foundations including information about the foundation's governing bodies, its activities and financial statements. In addition to that, <u>if the foundation has public-benefit status</u> (tax-exempt status) it has to submit another report to the Ministry of Finance, which contains information on the financial situation and activities of the foundation.
<i>Ukraine</i>	<u>Public-benefit foundations</u> shall report to any donors on disposal of their donations upon their requests or without such requests, if the donations have been assigned for specific purposes or uses. <u>All foundations</u> shall submit quarterly reports on their revenues and expenditures to the local tax authorities. Any foundation shall submit copies of its annual financial report and balance sheet to the public registrar. The data from annual financial reports and balance sheets are available to the public upon request. Data on public-benefit foundations are also filed in the separate register of charitable organisations by the Ministry of Justice and available to the public.

## 11. PUBLICATION OF ANNUAL REPORTS / ACCOUNTS

COUNTRY	DO ANNUAL REPORTS AND/OR ACCOUNTS OF FOUNDATIONS NEED TO BE MADE PUBLICALLY AVAILABLE?
<b>Austria</b>	<b>No</b>
<b>Belgium</b>	Yes
<b>Bulgaria</b>	Yes
<b>Cyprus</b>	<b>No</b>
<b>Czech Republic</b>	Yes
<b>Denmark</b>	<u>Non-commercial foundations</u> : No. <u>Commercial foundations</u> : Yes, annual accounts.
<b>Estonia</b>	Yes, annual reports are public via Central Commercial Register's online service.
<b>Finland</b>	Yes, upon request.
<b>France</b>	Yes
<b>Germany</b>	<b>No</b>
<b>Greece</b>	Yes, statement of financial information must be published.
<b>Hungary</b>	Yes, for tax-exempt <u>public-benefit organisations</u> .
<b>Ireland</b>	<b>No</b> , although this is soon to change under new legislation.
<b>Italy</b>	<b>No</b>
<b>Latvia</b>	<b>No</b>
<b>Lithuania</b>	Yes
<b>Luxembourg</b>	Yes, but only annual accounts and budget.
<b>Malta</b>	Yes, but only for foundations that are enrolled or are applying for enrolment with the Commissioner for Voluntary Organisations.
<b>Netherlands</b>	Yes, but only for <u>commercial foundations</u> . Accounts must be published with limited exceptions based on size of annual turnover.
<b>Poland</b>	Yes
<b>Portugal</b>	Yes
<b>Romania</b>	Yes, annual accounts only.
<b>Slovakia</b>	Yes, the auditor's report is published.
<b>Slovenia</b>	<b>No</b>
<b>Spain</b>	Yes
<b>Sweden</b>	Yes, but only for larger foundations that conduct business and those set up by the state.
<b>United Kingdom</b>	Yes
<i>Switzerland</i>	<b>No</b>
<i>Turkey</i>	Yes
<i>Ukraine</i>	Yes

## 12. EXTERNAL AUDIT

COUNTRY	IS EXTERNAL AUDIT REQUIRED BY LAW?
<b>Austria</b>	Yes, for private foundations.
<b>Belgium</b>	Yes, for larger foundations.
<b>Bulgaria</b>	Yes, for larger foundations.
<b>Cyprus</b>	Yes, for <u>Associations</u> and <u>Companies Limited by Guarantee</u> .
<b>Czech Republic</b>	Yes
<b>Denmark</b>	Yes, for commercial foundations.
<b>Estonia</b>	Yes, for larger private foundations or private foundations whose articles of association so prescribe.
<b>Finland</b>	Yes
<b>France</b>	Yes
<b>Germany</b>	No
<b>Greece</b>	Yes
<b>Hungary</b>	Yes, for larger foundations.
<b>Ireland</b>	Yes, for <u>incorporated foundations</u> . The new Charities Act will determine the legal requirements regarding external audit.
<b>Italy</b>	No
<b>Latvia</b>	No
<b>Lithuania</b>	Yes
<b>Luxembourg</b>	No
<b>Malta</b>	No
<b>Netherlands</b>	Yes, for medium or large entities.
<b>Poland</b>	Yes, for larger foundations. The recently amended bill on Public-benefit Activity and Voluntarism mentions the introduction of mandatory audit on public-benefit foundations.
<b>Portugal</b>	No
<b>Romania</b>	No
<b>Slovakia</b>	Yes
<b>Slovenia</b>	No
<b>Spain</b>	Yes, for larger foundations.
<b>Sweden</b>	Yes
<b>United Kingdom</b>	Yes, for larger organisations.
<i>Switzerland</i>	Yes, but with certain exemptions specified in the legislation.
<i>Turkey</i>	Yes, for <u>foundations with tax-exempt status</u> .
<i>Ukraine</i>	No



# 13. SUPERVISORY STRUCTURE

COUNTRY	WHICH BODY?
<b>Austria</b>	<u>Public-benefit foundations</u> under BSFG: Relevant public foundation authority. <u>Private foundations</u> : Court.
<b>Belgium</b>	The Ministry of Justice intervenes as the supervising authority upon the creation of a <u>public-benefit foundation</u> or in case a public-benefit foundation's statutes are amended. The court of first instance also plays a role, as does the court of justice.
<b>Bulgaria</b>	The Ministry of Justice
<b>Cyprus</b>	<u>Charitable Trusts, Societies/Associations</u> : The Ministry of Interior. <u>Companies limited by guarantee</u> : The Registrar of Companies.
<b>Czech Republic</b>	There is no special supervisory body. There is a combination of strict regulation, internal supervision, court supervision and tax authority supervision.
<b>Denmark</b>	<u>Commercial foundations</u> : Ministry of Commerce. <u>Non-commercial foundations</u> : Ministry of Justice.
<b>Estonia</b>	Registry of Non-Profit Organisations and Foundations is maintained by the courts.
<b>Finland</b>	The National Board of Patents and Registration, a public administrative body.
<b>France</b>	The supervisory authority for foundations is made up of both a governmental body (the Prefet and the Ministry of Interior) and a special court (the Cour des Comptes).
<b>Germany</b>	<u>Civil law foundations</u> are subject to state control according to the respective laws of the Bundesländer.
<b>Greece</b>	The Ministry of Finance, the Council of National Bequests, or another competent ministry, depending on the purpose of a foundation. All <u>public-benefit foundations</u> are under the supervision of the Ministry of Finance.
<b>Hungary</b>	The public prosecutor's office has judicial supervisory competence over foundations, the state tax authority for tax purposes, and the State Audit Office for auditing the appropriation of budgetary subsidies.
<b>Ireland</b>	The Revenue Commissioners currently have the power to remove charitable tax exemption. The proposed Charities Regulatory Authority (CRA), to be established under the new Charities Act, has yet to be set up. When established, the CRA is intended to be a public independent body with the power to supervise, inspect and investigate public-benefit organisations.
<b>Italy</b>	Supervision of prefectures or regional administrations depending on the type of foundation. Foundations established before autumn 2000 fall under the supervision of the competent Ministry and there is special supervision of foundations that pursue cultural purposes. <u>Foundations of banking origin</u> fall under the supervision of the Ministry of Economy until all of them divest controlling shareholdings in banks. There is a particular agency for <u>ONLUS</u> .
<b>Latvia</b>	The tax administration office (Revenue Service), a public administrative body.
<b>Lithuania</b>	The provisions valid for any legal persons apply to the fund: The State Tax Inspectorate inspects the payment of taxes, the State Social Insurance Fund checks the payment of social benefits. The Centre of Registers grants and removes the status of support recipient; the National Audit Office may audit the use of public funds.
<b>Luxembourg</b>	The Ministry of Justice
<b>Malta</b>	The Registrar for Legal Persons may accept or refuse to register a foundation. The Commissioner for Voluntary Organisations is the watchdog of the voluntary sector and organisations in general. The Malta Financial Services Authority authorises and supervises administrators of private foundations according to Malta's Trusts and Trustees Act.
<b>Netherlands</b>	Public Prosecutor's Office and the District Court/arrondissementsrechtbank.
<b>Poland</b>	The supervisory authority comprises a public administrative body (ministry) or a regional public administrative body (starosta).
<b>Portugal</b>	Competent public authority.
<b>Romania</b>	With regard to public-benefit foundations, the Minister of Justice.

COUNTRY	WHICH BODY?
<b>Slovakia</b>	The Ministry of the Interior.
<b>Slovenia</b>	The ministry whose operating range covers the purpose for which a given foundation has been established. In the event that it is not possible to appoint such a ministry, the ministry responsible for public administration shall be competent.
<b>Spain</b>	The Protectorates, which are part of the General State Administration.
<b>Sweden</b>	The supervisory authorities are the seven county governments appointed by the national government.
<b>United Kingdom</b>	The Charity Commission for England and Wales, an independent regulator (a Non-Ministerial Government Department, accountable to Parliament and the public).
<i>Switzerland</i>	Foundations are subject to supervision through the community (confederation, cantons, municipalities) that they belong to according to their purpose (Art. 84 para. 1 ZGB). If the foundation has an impact on all of Switzerland, the Confederation will be the supervisory authority (General Secretary of the Federal Department of the Interior). The cantons may subject foundations with an impact only on one canton to supervision at the cantonal level. Tax reports have to be submitted to the tax authorities. The supervisory authority does not decide about tax exemptions.
<i>Turkey</i>	General Directorate of Foundations, a government entity. The Ministry of Finance only supervises tax-exempt foundations for tax-exempt status compliance and with regard to taxation issues.
<i>Ukraine</i>	The Ministry of Justice is the supervision authority for <u>public-benefit foundations</u> . Public registrars and courts can supervise <u>private foundations</u> .

## 14. EXTENT OF SUPERVISION

COUNTRY	WHAT IS THE EXTENT OF STATE SUPERVISION?
<b>Austria</b>	<p><u>Public-benefit foundations</u>: At any moment the administration of the assets may be inspected. Appointments or resignations of the board have to be reported to the foundation authority within two weeks; if management duties are not fulfilled properly, the foundation authority may intervene and ask for improvement. Should no improvement be evident, the board might be dismissed and a commissioner appointed. The supervision authority decides about reimbursement of costs (or remuneration) for the organs of the foundation.</p> <p><u>Private foundations</u> are audited by accountants/Stiftungsprüfer who examine the annual report of the board. Only professional accountants/auditors can be appointed as Stiftungsprüfer. The competent court or the supervisory board appoints them.</p>
<b>Belgium</b>	The extent of the supervision is quite limited. There are no ex officio inspections, reviews of reports, or inquiries. The Court can only take action in specific circumstances, upon a request introduced by the public prosecutor or by a director of the foundation, by its board of directors, or by any interested party.
<b>Bulgaria</b>	If infringements of the law are found, the Minister of Justice notifies the public prosecutor and the bodies of the State Financial Control who will conduct preliminary checks. These measures can result in deletion of the registration in the Central Registry and deletion of the organisation's special status as a public-benefit organisation. The Minister of Justice is also entitled to exercise ongoing oversight, requesting the current information entered in the register.
<b>Cyprus</b>	The relevant legislation does not provide for any regulatory or supervisory control of foundations. The laws under which foundations are established merely impose filing or regulatory requirements on an annual basis.
<b>Czech Republic</b>	There is a combination of strict regulation, internal supervision, court supervision and tax authority supervision. <u>Public-benefit organisations</u> are not subject to inspection.
<b>Denmark</b>	The Ministry of Justice is responsible for the supervision of <u>non-commercial foundations</u> . In practice, the Ministry delegates the supervision activities to a department of the Ministry called Civilstyrelsen. The Ministry of Commerce supervises most <u>commercial foundations</u> . The supervisory authority is delegated to the Danish commerce authority.
<b>Estonia</b>	<u>Public-benefit organisations</u> submit reports on their public-benefit activities to the Tax and Customs Board. Tax and Customs Board conducts reviews to determine whether the organisations granted public-benefit status fulfil the requirements of public-benefit status.
<b>Finland</b>	All foundations are subject to supervision under the National Board of Patents and Registration. The official supervision consists mostly of the review of the annual accounts and annual activity report of the foundation, but other reviews are possible. In fact, any irregular situation may be sanctioned or corrected by a demand for rectification or an injunction, or it may result in damages and demands for punishment or dismissal of the board or even dissolution of the foundation. The Tax Authority has normal rights for tax inspection on tax-exempt foundations.
<b>France</b>	The Cour des Comptes has full jurisdiction to audit the reports and accounts of the foundations, as well as their use of the funds raised from the public or derived from legacies and gifts made to them. All <u>public-benefit organisations</u> are subject to this inspection provided either they raise funds from the public, or they receive gifts and donations giving the right to a tax credit for their donors.
<b>Germany</b>	Civil law foundations are subject to state control according to the respective laws of the Bundesländer. Each state has its own supervisory system. The supervision authority has to ensure that the statute and activities of the foundation do not contravene the law and that the will of the founder is observed. The state authority has the right to be informed. According to the different laws of the Bundesländer, foundations must file annual reports with the supervisory authority. The authority is allowed to object to activities or decisions of the organs of the foundations which are illegal or do not conform to the founder's will. In this case, the authority can also order the foundation's board to take specific action.
<b>Greece</b>	The supervisory authority reviews reports and makes inquiries.

COUNTRY	WHAT IS THE EXTENT OF STATE SUPERVISION?
<b>Hungary</b>	The public prosecutor's office shall initiate to release, modify or annul some rules of the statutes; inspect decisions, provisions, and other documents; launch inquiries (enter office spaces); and request information. The public prosecutor is entitled to file for court action if the legitimacy of a foundation's activities cannot be otherwise ensured. The court shall order the foundation's management to restore the lawful operation of the foundation by a specific deadline. The court shall terminate the foundation if the management fails to comply by this deadline.
<b>Ireland</b>	The Revenue Commissioners currently have the power to remove charitable tax exemption. The proposed Charities Regulatory Authority (CRA) is intended to be a public independent body with the power to supervise, inspect and investigate public-benefit organisations. Boards of directors will require the CRA's approval before entering into certain agreements with charity trustees or connected persons. The ultimate sanction given to the CRA is the power to remove a charity from the Register. Exercise of this power in many instances requires the prior approval of the High Court.
<b>Italy</b>	The administration has a general power to supervise foundation activity. In cases of misconduct or ineffectiveness, the administration also has power of intervention. It can appoint an external commissioner and authorise him to proceed against former board members; it can also dissolve or transform the foundation. In theory this power is very broad-ranging, but in practice it is not widely used. The administration authority can ask for yearly financial and activity reports.
<b>Latvia</b>	The authority reviews the financial data of the foundation, and may organise an inspection at the office of the foundation. Any supervision is mainly targeted towards financial and tax management, not the content (activities of the foundation). <u>Public-benefit organisations</u> are inspected more strictly since their actions influence income tax payments.
<b>Lithuania</b>	The State Tax Inspectorate inspects the payment of taxes, the State Social Insurance Fund checks the payment of social benefits. The Centre of Registers grants and removes the status of support recipient; the National Audit Office may audit the use of public funds.
<b>Luxembourg</b>	The Ministry of Justice has to ensure that the assets of foundations are used for the purpose(s) for which they were created. The district court (civil) of the place where the foundation is domiciled may, upon a request by either any interested third party or the public prosecutor, revoke the directors if they act imprudently or contrary to their obligations as set forth by the Law on Non-Profit Associations and Foundations; or if they do not use the assets according to their destination as per the statutes; or if they use the assets in a way contrary to public policy and order. New directors are then appointed pursuant to the statutes or, if the court so decides, by the Ministry of Justice. Furthermore, the district court may - on request of a director, any interested third party or the public prosecutor - dissolve a foundation if it has become unable to accomplish the purpose(s) for which it was created. In practice there seems to be hardly any active supervision other than to check whether annual accounts are filed.
<b>Malta</b>	The Registrar for Legal Persons simply ensures that the registration documents are in conformity with the requirements laid down by Maltese law. The Commissioner for Voluntary Organisations has vast supervisory powers: Monitoring accounts and other documents; reviewing documentation and making inquiries; and applying to the Board of Appeal for the suspension of the activities of a foundation or for the cancellation of its enrolment in certain cases (if the voluntary organisation is not pursuing the purposes for which it was established or is carrying out unlawful activities, including making public collections without the necessary authorisation). If the person or organisation uses its Certificate of Enrolment in an abusive manner, the Commissioner may prohibit such person or organisation from using the certificate; or apply to the Board of Appeal to take action to seize any funds raised or public collections made by such person or organisation and to return such funds to the donor.

COUNTRY	WHAT IS THE EXTENT OF STATE SUPERVISION?
<b>Netherlands</b>	The supervision will only take place on request of interested parties. Only upon request will the District Court undertake action in the interest of the foundation. Interested parties can ask for a decision to change the statutes, dismiss directors or dissolve the foundation. The District Court is the competent authority to take such action in the interest of the foundation. Dissolution is the last resort.
<b>Poland</b>	The supervisory authority (relevant minister or his delegate) reviews reports submitted by the foundation and can make inquiries, and demand oral or written clarification, as well as documents or other information materials for inspection, and any other data relating to the subject of control. It might also carry out control duties at the seat of the foundation.
<b>Portugal</b>	If a foundation fails to meet the criteria of public utility, the competent authority will remove its public utility status. Government supervision and related sanctions are wider for private social welfare institutions. Accounts have to be approved by the competent public authorities, who are able to inquire into the affairs of the foundation. They may also act in court requesting the dismissal of any member of the board. The court shall then appoint an independent receiver and manager to act in place of the governing board. The same procedure is available when the interests of the institution, the state or the beneficiaries are urgently at stake. When there is evidence that the foundation is acting against the law or is creating a severe risk to either the physical or mental health of its beneficiaries, the competent authority has the right to close the institution.
<b>Romania</b>	The regulation on supervision requires that the financial documents are submitted on time and there are some regulations regarding the paid staff.
<b>Slovakia</b>	The Ministry reviews foundations' annual reports and makes inquiries if any imperfections are noticed, e.g. if a foundation submits an annual report that is not in compliance with the legal requirements. Tax authorities are entitled to make inspections of any organisations that are beneficiaries of the 2% tax assignment. However, the extent of their inspection is limited to the use of assigned resources, and does not cover the organisation's public-benefit status or its use of other organisations' resources or activities.
<b>Slovenia</b>	In the course of the establishment, operation and termination of foundations, the ministry whose operating range covers the purpose for which a given foundation has been established (the body competent for foundations) will be responsible for overseeing that foundation. The body competent for foundations may request an audit of financial management by a certified auditor.
<b>Spain</b>	The Protectorate will oversee the exercise of the rights of foundations and the legality of their constitutions and functioning.
<b>Sweden</b>	The supervisory body reviews reports and makes inquiries. The body has the mandate to inspect all kinds of foundations.
<b>United Kingdom</b>	The Commission has statutory objectives to ensure trustees comply with their legal obligations in managing charities and to increase public trust and confidence in charities. They also have a statutory function to identify and investigate abuse and mismanagement in charities.
<i>Switzerland</i>	The supervisory authority has to monitor the foundation to ensure that its purpose is fulfilled, the founder's will is complied with and that the foundation organs do not make any decisions that are in contradiction to the foundation deed or the stipulated regulations and/or that are illegal or immoral.
<i>Turkey</i>	In general, the General Directorate of Foundations reviews the annual reports and makes inquiries. The GDF inspectors examine selected foundations and their affiliates to ascertain whether they are consistent with the law and to check the appropriateness of their purpose. The Ministry of Finance may also review the Tax Exemption Reports and make inquiries. Ministry of Finance Tax Inspectors have the right to audit foundations for tax purposes.
<i>Ukraine</i>	The law explicitly allows the reviewing of reports and making of inquiries. <u>Public-benefit foundations</u> are subject to inspection by the supervisory authority under this law.

# 15. ASSETS AND DISSOLUTION

COUNTRY	CAN A FOUNDATION'S ASSETS REVERT BACK TO PRIVATE OWNERSHIP IN CASE OF DISSOLUTION?
<b>Austria</b>	No. All assets except the assets deposited by founders, must be applied to public-benefit, benevolent or religious purposes.
<b>Belgium</b>	No. The assets should be transmitted to another entity which has a similar purpose. The statutes should indicate which organisation would be entitled to receive the net assets.
<b>Bulgaria</b>	No. Any property remaining after the liquidation of the public-benefit organisation shall be transferred to an organisation designated for performing public-benefit activities with the same or similar non-profit purposes. The recipient organisation could be specified in a foundation's statutes and if it is not, the registration court determines it.
<b>Cyprus</b>	No. The assets must be given to other charitable institutions of the same nature as the foundation under dissolution or to the state.
<b>Czech Republic</b>	No. The founder can state in the foundation charter that any liquidation balance in case of dissolution of the foundation/endowment fund has to be transferred to another foundation/endowment fund pursuing the same purpose. If the foundation charter does not state this, the liquidator will offer this liquidation balance to a foundation/endowment fund with an identical, or similar, purpose.
<b>Denmark</b>	No. For a foundation to be considered a public interest foundation, its statutes must provide that in case of dissolution of the foundation, any remaining assets have to be transferred to another public-benefit foundation or used to advance a public-benefit purpose.
<b>Estonia</b>	The articles of association must describe how assets will be distributed upon liquidation or dissolution. <u>In case of public-benefit organisations</u> the assets remaining after satisfaction of the claims of the creditors must be transferred to an association entered in the list of non-profit associations and foundations benefiting from income tax incentives.
<b>Finland</b>	No. The statutes of a foundation must include a clause on how the remaining assets are to be used. If no such clause exists, then the assets of the foundation will go to the state, which must allocate them in turn to promoting the purpose associated with the operations of the foundation concerned.
<b>France</b>	No. French civil law provides that, in such a situation, the foundation's assets must be devolved by the board to another foundation. A similar rule applies to endowment funds.
<b>Germany</b>	There must be a special regulation in the statute of the foundation which specifies to whom the assets belong in case of dissolution.
<b>Greece</b>	The founder has to specify in the statutes what is to be done with the residual assets. If it is not specified, then in the case of the foundation's dissolution these assets must be transferred to the public treasury.
<b>Hungary</b>	No. Unless otherwise stipulated in the charter, the assets of a terminated foundation shall be allocated by the Court of Registration for the support of another foundation with a similar purpose.
<b>Ireland</b>	No. In the event of dissolution, a foundation's assets are given or transferred to some other charitable institution or institutions having similar purposes or goals as those of the foundation under the cy près doctrine.
<b>Italy</b>	No. The Italian Civil Code stipulates that the assets' devolution must be made under the rules of the Statute or, in the absence of them, by the governmental authority to foundations with similar aims. <u>ONLUS</u> assets have to be given to another ONLUS in case of dissolution of the entity.
<b>Latvia</b>	No. The statutes should define what happens in this case. However, assets cannot be distributed among founders, members of the board and other institutions, or their relatives.
<b>Lithuania</b>	No. The fund's assets and funds remaining after all the claims by creditors and claims by stakeholders are transferred (before the fund is removed from the Legal Entities' Register) to another public legal person(s) as determined by the meeting of stakeholders or the court which has passed the decision to liquidate the fund.



COUNTRY	CAN A FOUNDATION'S ASSETS REVERT BACK TO PRIVATE OWNERSHIP IN CASE OF DISSOLUTION?
<b>Luxembourg</b>	No. Such assets are to be used in accordance with what the statutes stipulate for this. If for some reason this cannot be achieved, the assets are to be used for a purpose similar to the one for which the foundation has been incorporated.
<b>Malta</b>	No for "purpose" foundations; yes for private foundations. " <u>Purpose</u> " foundations, including those which are voluntary organisations and/or enrolled with the Commissioner for Voluntary Organisations, must give their assets to another organisation with similar purposes on dissolution. In the case of a <u>private foundation</u> , on dissolution, the assets shall, subject to the terms of the foundation, devolve on the founder or his heirs at law.
<b>Netherlands</b>	This depends on the foundation's statutory provisions. If nothing is provided in its statutes, the assets will go to the state which will use them as far as possible for the purpose of the foundation.
<b>Poland</b>	No. The assets have to be allocated to an organisation or institution having similar statutory purposes. If the statutes do not contain a dissolution clause, the court decides on the distribution of the assets taking into account the purposes of the foundation.
<b>Portugal</b>	"The destination of the property (...) is that which is fixed for it by the statutes (...), notwithstanding the provisions of special laws; in the absence of such fixing or of a special law, the court, at the request of the Public Prosecutor's Office, the liquidators, or any other (...) interested party, shall determine that it be attributed to another legal person or to the State, ensuring, as far as is possible, the realisation of the aims of the [dissolved entity]."
<b>Romania</b>	The assets can be transferred to private or legal persons under public law with an identical or similar aim.
<b>Slovakia</b>	No. The liquidator is obliged to offer the liquidation surplus to another foundation or to the municipality in which the dissolved foundation had its principal headquarters. The liquidation surplus, if accepted by the municipality, may only be used for public-benefit and benevolent purposes. The property that is part of the foundation's endowment may be offered to another foundation duly registered in accordance with the Act on Foundations.
<b>Slovenia</b>	No. In accordance with the will and the purpose of the founder(s), the remainder of the property following liquidation must be allocated to another foundation with the same or similar purpose.
<b>Spain</b>	No. In case of dissolution all assets of the foundation being dissolved should be committed to another foundation or general interest purpose entity (for example: associations or even a public entity with general interest purposes). The receiving entity should be designated either by the founder through the bylaws, or by a decision of the board of trustees. If neither option is taken, the Protectorate will make the decision.
<b>Sweden</b>	No. In case of dissolution, the assets have to be spent on the same purpose the foundation pursued or used for a similar one.
<b>United Kingdom</b>	No. Surplus assets remaining after the discharge of liabilities can generally be transferred only to another charity with the same or similar purposes.
<i>Switzerland</i>	The Law on Foundations does generally not provide for the distribution of assets and liquidation. So Art. 57 and 58 ZGB apply, which refer inter alia to the liquidation regulations provided for in the Law on Cooperatives and Stock Companies. Thus, assets can revert to private ownership under strict terms. If tax exemption is sought, however, the assets must be given to similar charitable institutions.
<i>Turkey</i>	No. Any estate and rights remaining after the settlement of the debts of a dissolved or terminated foundation shall be reverted to the entity that is designated in the foundation statutes. If there is no such entity, the court shall make a decision and allocate the foundation's assets to another foundation with a similar purpose.
<i>Ukraine</i>	No. In case of a foundation's dissolution, its remaining assets shall be distributed to another tax-exempt foundation, of public-benefit or private purpose accordingly, or transferred to the government.



## 16. ADMINISTRATION COSTS

COUNTRY	IS THERE A MAXIMUM THAT CAN BE SPENT ON OFFICE/ ADMINISTRATION COSTS IN CIVIL AND/OR TAX LAW?	AMOUNT
<b>Austria</b>	No, but administration costs should be reasonable for the foundation to receive tax exemption.	-
<b>Belgium</b>	<b>Yes</b>	20% of the organisation's resources
<b>Bulgaria</b>	No	-
<b>Cyprus</b>	No, but amounts should be bona fide.	-
<b>Czech Republic</b>	<b>Yes</b> , as determined by the foundation's statutes.	Foundation statutes must define a specific limit, in accordance with certain criteria (please see EFC country profile).
<b>Denmark</b>	<b>Yes</b>	Administration costs exceeding 12% of annual gross income must be approved by the foundation authorities.
<b>Estonia</b>	No	-
<b>Finland</b>	No	-
<b>France</b>	No	-
<b>Germany</b>	No, but many local foundation laws demand that administration costs should be as low as possible.	-
<b>Greece</b>	No	-
<b>Hungary</b>	No	-
<b>Ireland</b>	No	-
<b>Italy</b>	No	-
<b>Latvia</b>	<b>Yes</b> , in civil law.	25% of general donations
<b>Lithuania</b>	No	-
<b>Luxembourg</b>	No	-
<b>Malta</b>	No, but administration costs should be reasonable.	-
<b>Netherlands</b>	No, but administration costs should be reasonable for the foundation to qualify as charitable and in line with its statutes.	-
<b>Poland</b>	No	-
<b>Portugal</b>	No	-
<b>Romania</b>	No	-
<b>Slovakia</b>	No, but administration costs must be separately accounted for.	-
<b>Slovenia</b>	No	-
<b>Spain</b>	<b>Yes</b>	Administration costs should not exceed the higher of the following two figures: either 5% of a foundation's equity or 20% of its net income.

COUNTRY	IS THERE A MAXIMUM THAT CAN BE SPENT ON OFFICE/ ADMINISTRATION COSTS IN CIVIL AND/OR TAX LAW?	AMOUNT
<b>Sweden</b>	No, but administration costs should be reasonable.	-
<b>United Kingdom</b>	No, but administration costs should be reasonable.	-
<i>Switzerland</i>	No, but administration costs should be reasonable (administration costs of 10 - 20% of the foundations funds are considered reasonable).	-
<i>Turkey</i>	<b>Yes</b>	A maximum of 1/3 of the annual income can be spent on administration costs.
<i>Ukraine</i>	<b>Yes</b> , in civil law, for public-benefit foundations only.	20% of annual income

## 17. TIMELY DISBURSEMENT OF INCOME

COUNTRY	DOES CIVIL AND/OR TAX LAW REQUIRE A FOUNDATION TO SPEND ITS INCOME, OR A CERTAIN AMOUNT OF ITS INCOME, WITHIN A CERTAIN PERIOD OF TIME (E.G. WITHIN THE NEXT FINANCIAL YEAR)?
<b>Austria</b>	No
<b>Belgium</b>	No
<b>Bulgaria</b>	No
<b>Cyprus</b>	No
<b>Czech Republic</b>	The court will wind up a foundation that cannot fulfill its purpose as well as a foundation that does not distribute grants for a period of 2 years.
<b>Denmark</b>	No
<b>Estonia</b>	No
<b>Finland</b>	<b>Yes</b> , tax law states that a foundation should spend most of its annual income (not capital gains) within a reasonable period.
<b>France</b>	No
<b>Germany</b>	<b>Yes</b> , required by tax law.
<b>Greece</b>	No
<b>Hungary</b>	No
<b>Ireland</b>	No, but if a foundation wishes to accumulate capital for more than 2 years, the foundation must first obtain permission from the Revenue Commissioners.
<b>Italy</b>	For foundations of banking origin, at least half of the profits of the year, all legal funds deducted, must be granted in the following years. ONLUS are obliged to use their profit to pursue their institutional purposes. Other foundations must also give some grants within a reasonable period of time in order not to become ineffectual and be dissolved.
<b>Latvia</b>	No
<b>Lithuania</b>	No
<b>Luxembourg</b>	No
<b>Malta</b>	No
<b>Netherlands</b>	No
<b>Poland</b>	No
<b>Portugal</b>	<b>Yes</b> at least 50% of overall net income must be allocated to the purposes justifying the foundation's tax exemption by the end of the 4th year of activity after that in which the income was obtained.
<b>Romania</b>	No
<b>Slovakia</b>	Depends on the type of income: Income from tax designation must be spent within a certain period.
<b>Slovenia</b>	No
<b>Spain</b>	<b>Yes</b> , civil and tax law state that a foundation must dedicate at least 70% of net income to pursue a general interest purpose within 4 years.
<b>Sweden</b>	<b>Yes</b> , according to tax law a foundation must use approximately 80% of its income to pursue its public-benefit purpose within a period of 5 years.
<b>United Kingdom</b>	<b>Yes</b> , civil and tax law require that income must be spent within a reasonable period, generally accepted to be 3 years.
<i>Switzerland</i>	No
<i>Turkey</i>	<b>Yes</b> , for <u>foundations with tax-exempt status</u> .
<i>Ukraine</i>	<b>Yes</b> , tax law states that private foundations with tax-exempt status shall pay retained income tax at the standard rate (Article 157.11, Tax Code), if they fail to spend 75% of their income before April 1 of the next fiscal year.

## 18. DISBURSEMENT OF ASSETS

COUNTRY	DOES CIVIL AND/OR TAX LAW REQUIRE A FOUNDATION TO SPEND A CERTAIN PERCENTAGE OF ITS OVERALL ASSETS?
<b>Austria</b>	No
<b>Belgium</b>	No
<b>Bulgaria</b>	No
<b>Cyprus</b>	No
<b>Czech Republic</b>	No
<b>Denmark</b>	No
<b>Estonia</b>	No
<b>Finland</b>	No
<b>France</b>	No
<b>Germany</b>	No
<b>Greece</b>	No
<b>Hungary</b>	No
<b>Ireland</b>	No
<b>Italy</b>	No
<b>Latvia</b>	No
<b>Lithuania</b>	No
<b>Luxembourg</b>	No
<b>Malta</b>	No
<b>Netherlands</b>	No
<b>Poland</b>	No
<b>Portugal</b>	No
<b>Romania</b>	No
<b>Slovakia</b>	No
<b>Slovenia</b>	No
<b>Spain</b>	No
<b>Sweden</b>	No
<b>United Kingdom</b>	No
<i>Switzerland</i>	No
<i>Turkey</i>	No
<i>Ukraine</i>	No

# 19. REQUIREMENTS FOR FOUNDATIONS TO RECEIVE TAX EXEMPTIONS

COUNTRY	WHAT ARE THE REQUIREMENTS TO RECEIVE TAX EXEMPTIONS?	IS THE EXEMPTION AUTOMATIC OR IS SPECIAL RECOGNITION FROM THE TAX AUTHORITY NEEDED?
<b>Austria</b>	Foundations directly and exclusively pursuing public-benefit, benevolent, or religious purposes can receive tax exemptions.	Special recognition needed
<b>Belgium</b>	Exemption from corporate tax is only applicable to entities with non-profit status. The exemption is not subject to any prior formal agreement by the tax authorities. The tax inspector, however, may challenge the organisation's income tax status later on at any time.	Automatic
<b>Bulgaria</b>	Foundations can register as public-benefit under the Law on Non-Profit Legal Entities (LNPE).	Special recognition needed
<b>Cyprus</b>	An organisation which is incorporated exclusively and solely for the promotion of the arts, the sciences or sports from which it does not seek to gain profits for itself or its members, and whose activities are limited only to such causes, shall be exempt from income tax.	Automatic
<b>Czech Republic</b>	Tax exemption for a foundation registered in the Czech Republic is applied automatically on the basis of the law, based on the legal form of the foundation (endowment fund).	Automatic
<b>Denmark</b>	Any foundation can apply to the Danish national tax authorities to be approved as having a public-benefit purpose for certain tax purposes (deductibility of donations made to foundations and other public-benefit organisations). This approval as public-benefit does not have any effect on the ability of a foundation to deduct its donations from its taxable income under Danish tax law.	Special recognition needed
<b>Estonia</b>	The government may grant tax-exempt status to foundations that serve a public-benefit purpose; that do not distribute any income to their founders, members of the board or to persons who have made donations to the foundation; and whose administration costs do not exceed what is necessary for achieving their stated purposes. In order to be included in the list of organisations benefiting from income tax incentives, a foundation must file an application and give information about its statutes and activities.	Special recognition needed
<b>Finland</b>	A foundation is automatically exempt from taxation once it is created for non-profit purposes. Recognition of exempt status requires ongoing maintenance of non-profit activities and is conferred by the taxation authorities after submission of each annual income tax return. Under the Income Tax Act, an organisation is eligible for tax-exempt status if it operates solely and directly for the public-benefit/general good in a material, mental/intellectual, ethical or social sense. The definition is considered to encompass nearly all sectors of social life.	Automatic

COUNTRY	WHAT ARE THE REQUIREMENTS TO RECEIVE TAX EXEMPTIONS?	IS THE EXEMPTION AUTOMATIC OR IS SPECIAL RECOGNITION FROM THE TAX AUTHORITY NEEDED?
<b>France</b>	A favourable tax regime applies automatically as soon as a public utility foundation is established, irrespective of the location of its activities. No special application is needed to receive tax exemption. The same rule applies to endowment funds unless they are authorised to spend down their capital.	Automatic
<b>Germany</b>	Foundations can be exempt from it if they pursue qualified philanthropic purposes enumerated in the Abgabenordnung (AO). The foundation has to carry out its tax-privileged purpose unselfishly, exclusively and directly.	Special recognition needed
<b>Greece</b>	The pursuit of public-benefit purposes is the main requirement for receiving tax exemptions. According to Article 1 of Law 2039/1939, a charitable purpose is any public, religious, philanthropic or other purpose beneficial to the community.	Special recognition needed
<b>Hungary</b>	Income below a specified threshold/proportion of total income, depending on the type of organisation (PBO or prominently public-benefit organisation), is exempt from income tax.	Special recognition as PBO
<b>Ireland</b>	Charities must be judged to have charitable purposes (i.e. pursue one of the following: The advancement of religion, the advancement of education, the relief of poverty, and 'other purposes' beneficial to the community). Tax exemption for donors and for the foundation only applies two years after a charity number is issued.	Special recognition as charity with Revenue Commissioners
<b>Italy</b>	Not all foundations receive tax exemptions. ONLUS are exempted from income tax with regard to income deriving from the organisation's institutional activities as well as from directly related activities. ONLUS can only operate in certain social fields stipulated by law, cannot distribute dividends, and are obliged to invest all income in their social activities and to publish an annual report.	Special recognition needed
<b>Latvia</b>	Tax exemptions are applied only to organisations with public-benefit status and those organisations which are registered in the register of social service providers.	Special recognition needed
<b>Lithuania</b>	Support to legal and natural persons in the fields of science, culture, education, arts, religion, sports, health care, social care and assistance, and environmental protection, as well as in other fields recognised as selfless and beneficial to society. Tax exemption is only granted for an income up to a certain ceiling - donations and grants are tax exempt.	Automatic
<b>Luxembourg</b>	State-approved foundations are by definition bodies of public interest pursuing public-benefit purposes. As such, they are automatically exempt from income tax (if they directly and exclusively pursue public-benefit purposes). However, they remain taxable to the extent that they carry out industrial or commercial activities.	Automatic

COUNTRY	WHAT ARE THE REQUIREMENTS TO RECEIVE TAX EXEMPTIONS?	IS THE EXEMPTION AUTOMATIC OR IS SPECIAL RECOGNITION FROM THE TAX AUTHORITY NEEDED?
<b>Malta</b>	The income of any foundation of a public character which is engaged in philanthropic work and either qualifies for exemptions in accordance with rules made for this purpose by the Minister responsible for finance, or is named by the said Minister as engaged in philanthropic work, is exempt from tax under Malta's Income Tax Act, Chapter 123 of the Laws of Malta.	Special recognition needed where no rules have been made by the Minister responsible for finance or any such rules do not apply.
<b>Netherlands</b>	In order to receive tax exemptions a foundation has to be officially qualified as a charity by the Dutch tax authorities (specific criteria include: no intention to make a profit and a demonstrably charitable character, reasonable fundraising and administration costs, transparent bookkeeping, and a clear policy plan).	Special recognition needed
<b>Poland</b>	The tax law makes the income of public-benefit organisations (as defined in the Act on Public-benefit Activity and Voluntarism) tax-free as far as it is designated for their statutory activity, excluding economic activity. Together with the annual tax return a foundation must submit a list of all corporate and institutional donors.	Special recognition needed
<b>Portugal</b>	The exemption must be recognised, at the request of the foundation, by the Ministry of Finance, which, through a dispatch published in the Official Gazette, will define its scope. The foundation must spend, in the following 4 financial years, 50% of its net income in the fulfilment of its purpose. Otherwise this tax benefit will be withdrawn.	Special recognition needed
<b>Romania</b>	There are no tax exemptions.	n/a
<b>Slovakia</b>	Tax exemptions are related to the specific taxes and activities and not to legal form or public-benefit status, and as such there are no general requirements to receive exemptions. According to the tax law, a foundation is defined as a not-for-profit organisation pursuing public-benefit activities that is eligible to register as a recipient of portion of paid income tax (tax designation of 2% of paid income tax of private and legal entities).	Special recognition needed
<b>Slovenia</b>	Under the Corporate Income Tax Act, foundations are exempt from taxes as per the said act if the foundations' operations are effectively in line with the purposes of their establishment and operation. However, foundations are liable to income tax on revenues generated through for-profit activities.	Automatic

COUNTRY	WHAT ARE THE REQUIREMENTS TO RECEIVE TAX EXEMPTIONS?	IS THE EXEMPTION AUTOMATIC OR IS SPECIAL RECOGNITION FROM THE TAX AUTHORITY NEEDED?
<b>Spain</b>	Registered Spanish foundations, as well as offices of foreign foundations, which are registered in Spain, receive a privileged tax regime upon request if they meet the following requirements listed in the Tax Act: Use at least 70% of net income to pursue their general interest purposes within a period of 4 years; submit an annual financial report and annual accounts to the Protectorate; fulfil accounting obligations; and non-tax-exempt unrelated economic activities must not exceed 40% of the total revenues. The founders, members of the governing bodies and their relatives cannot be the principal beneficiaries nor can they take advantage of the services that foundations carry out.	Special recognition needed
<b>Sweden</b>	If a foundation has a public-benefit purpose and uses its income mainly to pursue this purpose, the foundation can receive tax exemptions.	Special recognition needed
<b>United Kingdom</b>	Once a foundation established in England or Wales has been registered as a charity by the Commission (or the equivalent body for charities established in Scotland or Northern Ireland), such registration will generally lead to its acceptance as a charity for tax purposes by the tax authority, Her Majesty's Revenue and Customs (HMRC). Charities can apply to HMRC Charities for recognition of their charitable status for tax purposes.	Special recognition needed
<i>Switzerland</i>	Legal persons that pursue public or charitable purposes are exempt from taxes for profits that are exclusively and irrevocably dedicated to such purposes. This regulation applies accordingly to cantonal taxes imposed on profit and capital.	Special recognition needed
<i>Turkey</i>	Tax exemption may be granted to foundations established with the purpose of performing a public service or services by the Council of Ministers upon the proposal of the Ministry of Finance. Although there is a special regulation on tax-exempt foundations in the tax laws, these only confer a general exemption from corporate tax. Foundations, tax-exempt or not, are subject to all other taxes.	Special recognition needed
<i>Ukraine</i>	General requirements in Article 157 of the Tax Code include: Registration as a legal entity under Ukrainian laws; tax resident status; not-for-profit statutory purpose; non-distribution constraint; statutory transfer of the assets to other tax-exempt entities in case of dissolution; exhaustive list of economic activities in the statutes; tax-exempt income shall not be used for business activities. However, the Tax Code does not specify the procedures to receive tax-exempt status, which are regulated by tax authorities' instructions.	Special recognition needed



## 20. ACTIVITIES ABROAD AND IMPLICATIONS FOR TAX-EXEMPT STATUS

COUNTRY	DO ACTIVITIES ABROAD PUT THE TAX-EXEMPT STATUS OF A PUBLIC-BENEFIT FOUNDATION AT RISK?
<b>Austria</b>	<b>Yes</b> , if the foundation operates mainly abroad.
<b>Belgium</b>	No, but certain categories of organisation specified by law should carry out their activities exclusively on Belgian territory in order to be eligible to receive tax deductible gifts.
<b>Bulgaria</b>	No
<b>Cyprus</b>	No
<b>Czech Republic</b>	No
<b>Denmark</b>	No
<b>Estonia</b>	No
<b>Finland</b>	No
<b>France</b>	No, but tax benefits to donors will not be granted if a foundation does not conduct the main part of its activities in France. Certain exceptions to this principle are specified pursuant to comments from the tax authorities. It seems however that the French tax authorities are contemplating limiting the tax reduction for donors only to those making gifts to public utility foundations performing their activities only in France.
<b>Germany</b>	No, although tax exemption requires that pursuing activities abroad can have a positive impact for and does not disadvantage Germany.
<b>Greece</b>	No
<b>Hungary</b>	No
<b>Ireland</b>	No
<b>Italy</b>	No
<b>Latvia</b>	No, but tax exemptions are not applicable to activities abroad.
<b>Lithuania</b>	No
<b>Luxembourg</b>	No
<b>Malta</b>	No, in general, although it depends on the type of activity conducted.
<b>Netherlands</b>	No
<b>Poland</b>	No
<b>Portugal</b>	<b>Yes</b> , tax-exempt status is dependent on the requirement that the entity pursues aims of general interest for domestic benefit within a national or local scope.
<b>Romania</b>	No
<b>Slovakia</b>	No
<b>Slovenia</b>	No
<b>Spain</b>	No
<b>Sweden</b>	No
<b>United Kingdom</b>	No
<i>Switzerland</i>	No
<i>Turkey</i>	No
<i>Ukraine</i>	No

## 21. DONATIONS: INCOME TAX, GIFT AND INHERITANCE TAX

COUNTRY	DO PUBLIC-BENEFIT FOUNDATIONS PAY INCOME TAX ON GRANTS AND DONATIONS?	ARE GRANTS/DONATIONS SUBJECT TO GIFT AND INHERITANCE TAX?
<b>Austria</b>	No	Yes, donations to national foundations are generally taxed at a flat rate of 2.5%. If real property is the subject of the donation there exists an additional flat rate of 3.5%.
<b>Belgium</b>	No	Yes, rates of inheritance tax on legacies to public-benefit foundations are reduced to 6.6%, 7% or 8.8%, depending on the region of Belgium in which the donor is resident. The rate of gift tax is reduced to 6.6% or 7% depending as above on the region.
<b>Bulgaria</b>	No	No
<b>Cyprus</b>	No	No, there is no such tax.
<b>Czech Republic</b>	No	No
<b>Denmark</b>	Yes, unless given to build up the foundation's endowment.	No, if the foundation is included on a Ministry of Taxation list of public-benefit organisations.
<b>Estonia</b>	No	No
<b>Finland</b>	No	No
<b>France</b>	No	No
<b>Germany</b>	No	No, generally donations and legacies to public-benefit foundations are exempt.
<b>Greece</b>	No	Yes, at a reduced rate of 0.5%.
<b>Hungary</b>	No	No
<b>Ireland</b>	No	No
<b>Italy</b>	No	No, for public-benefit foundations and foundations of banking origin.
<b>Latvia</b>	No	No
<b>Lithuania</b>	No	Yes, but applied to the donor only.
<b>Luxembourg</b>	No	Yes, at a reduced rate of 4% that does not apply to gifts or legacies by bequest that establish the foundation. Gift tax is only due on registered gifts; informal gifts ("dons manuels") are not subject to gift tax.
<b>Malta</b>	No, for grants/donations of cash.	Yes, for some assets.
<b>Netherlands</b>	No	No, for recognised public-benefit organisations.

COUNTRY	DO PUBLIC-BENEFIT FOUNDATIONS PAY INCOME TAX ON GRANTS AND DONATIONS?	ARE GRANTS/DONATIONS SUBJECT TO GIFT AND INHERITANCE TAX?
<b>Poland</b>	No	No
<b>Portugal</b>	No	No
<b>Romania</b>	No	No
<b>Slovakia</b>	No	No, there is no such tax.
<b>Slovenia</b>	No	No
<b>Spain</b>	No	No
<b>Sweden</b>	No	No, there is no such tax.
<b>United Kingdom</b>	No	No
<i>Switzerland</i>	No	No, in general, but this varies according to the local legislation of each canton.
<i>Turkey</i>	No	No
<i>Ukraine</i>	No	No, there is no such tax.

## 22. INCOME FROM ASSET ADMINISTRATION

COUNTRY	IS INCOME FROM ASSET ADMINISTRATION TAXED?
<b>Austria</b>	No
<b>Belgium</b>	Yes
<b>Bulgaria</b>	No, income from interest on bank deposits and sale of shares is not taxed. However, dividends are taxed at a rate of 5% and capital gains at 10%.
<b>Cyprus</b>	No, but income from disposal of certain assets is taxed.
<b>Czech Republic</b>	No
<b>Denmark</b>	Yes, but dividends from companies in which a foundation holds at least 10% of the shares are exempt.
<b>Estonia</b>	No
<b>Finland</b>	No, but there are some exceptions (e.g. private equity funds).
<b>France</b>	No, most investment income is exempt.
<b>Germany</b>	No
<b>Greece</b>	No, but income from securities is taxed.
<b>Hungary</b>	No
<b>Ireland</b>	No
<b>Italy</b>	Yes
<b>Latvia</b>	No
<b>Lithuania</b>	No, provided that the foundation's annual profit does not exceed 1 million Lithuanian litas (LTL) (approx. €300,000).
<b>Luxembourg</b>	No, provided it does not derive from a commercial activity and it is used for the main objectives of the foundation.
<b>Malta</b>	Yes, but this rule is subject to some exceptions.
<b>Netherlands</b>	No, unless the investment qualifies as business activity.
<b>Poland</b>	No, provided it is used for the foundation's purpose.
<b>Portugal</b>	No, but income from bearer securities is taxed.
<b>Romania</b>	No, provided the profits do not exceed €15,000.
<b>Slovakia</b>	No, except for income from sale of investments.
<b>Slovenia</b>	No
<b>Spain</b>	No
<b>Sweden</b>	No, provided the foundation fulfils the criteria listed in the law.
<b>United Kingdom</b>	No, although no relief is available for foreign taxes on foreign investment income or capital gains.
<i>Switzerland</i>	No
<i>Turkey</i>	Yes, tax is withheld at source.
<i>Ukraine</i>	No

## 23. MAJORITY SHAREHOLDING AND ITS TAXATION

COUNTRY	IS MAJORITY SHAREHOLDING IN COMPANIES PERMITTED?	IS MAJORITY SHAREHOLDING IN COMPANIES TAXED?
<b>Austria</b>	Public-benefit foundations: No. Private foundations: Yes, if not involved in company management.	No. If the foundation invests its assets in resident company shares or participation, the dividends are not taxed.
<b>Belgium</b>	Yes	Yes. Income from dividends is subject to the tax on legal entities at a rate of 15% or 25%.
<b>Bulgaria</b>	Yes	Yes. Income from shareholding is first taxed in the subsidiary company with a corporate tax (10%). Afterwards the profit is subject to a dividends tax (5%), which is withheld at the source.
<b>Cyprus</b>	Yes	No
<b>Czech Republic</b>	No	n/a
<b>Denmark</b>	Yes	No. Dividends received from companies in which the foundation holds at least 10% of the shares are exempt from tax.
<b>Estonia</b>	Yes	No
<b>Finland</b>	Yes	No
<b>France</b>	Yes	No, unless the foundation is actively involved in the operational management of a company.
<b>Germany</b>	Yes	No, provided that there are no voting rights.
<b>Greece</b>	Yes	No
<b>Hungary</b>	No	n/a
<b>Ireland</b>	Yes	No, provided that the activity is in support of the organisation's charitable purposes.
<b>Italy</b>	Yes, although <u>ONLUS</u> can own the major shareholding only of certain companies. Foundations of banking origin may only own major shareholding of non-instrumental enterprises.	Yes
<b>Latvia</b>	Yes (although there is no precedent for this).	No
<b>Lithuania</b>	Yes	No, provided that the foundation's annual profit does not exceed 1 million Lithuanian litas (LTL) (approx. €300,000).
<b>Luxembourg</b>	Yes	Yes, if deemed to be commercial activity, major shareholding is subject to the regular corporate tax rate of around 30%.
<b>Malta</b>	Yes	Yes, but this depends on whether the foundation is being treated as a company or as a trust.

COUNTRY	IS MAJORITY SHAREHOLDING IN COMPANIES PERMITTED?	IS MAJORITY SHAREHOLDING IN COMPANIES TAXED?
<b>Netherlands</b>	Yes, although the Dutch tax authorities are of the opinion that a major shareholding in a commercial entity restricts the foundation's eligibility to obtain the status of an <u>ANBI</u> (Institution for General Benefit).	No, provided that the foundation is not directly involved with the management of the company.
<b>Poland</b>	Yes, with help of asset managers.	No
<b>Portugal</b>	Yes	No
<b>Romania</b>	Yes	Yes, taxed at 16% of dividend value.
<b>Slovakia</b>	Yes	Yes
<b>Slovenia</b>	No	n/a
<b>Spain</b>	Yes, If a foundation owns a majority of shares in a company it will have to inform the relevant Protectorate.	No
<b>Sweden</b>	Yes, provided that this conforms with the foundation's statutes.	No, only if it is a subsidiary company.
<b>United Kingdom</b>	Yes	No
<i>Switzerland</i>	Yes	No
<i>Turkey</i>	Yes	Yes
<i>Ukraine</i>	Yes, although the acquiring of 10% or more of the shares of one company can be subject to Anti-Trust Committee approval.	No

## 24. INCOME FROM ECONOMIC ACTIVITIES

COUNTRY	IS INCOME FROM ECONOMIC ACTIVITIES TAXED?
<b>Austria</b>	Yes
<b>Belgium</b>	No, provided that these activities remain ancillary.
<b>Bulgaria</b>	Yes
<b>Cyprus</b>	No, if related to purpose.
<b>Czech Republic</b>	No, profits of less than 300,000 CZK (approx. €11,000) are exempt. However, a foundation is prohibited from doing business under its own name, save for real estate leases and organising lotteries, raffles, public collections, cultural, social, sport and educational events.
<b>Denmark</b>	Yes
<b>Estonia</b>	No
<b>Finland</b>	No, provided that the activities are ancillary, are directly related to the foundation's purpose, and are stipulated in the foundation's statutes. Unrelated activities are taxed.
<b>France</b>	No, provided that the activities are directly related to the foundation's purpose. Unrelated activities are taxed.
<b>Germany</b>	No, provided that the activities are directly related to the foundation's purpose. Unrelated activities are taxed if income exceeds €35,000.
<b>Greece</b>	No
<b>Hungary</b>	No, provided that it does not exceed a threshold of 10 or 15% of annual income with an absolute limit of 10 or 20 million HUF (approx. €36,500 or €73,000) depending on the type of foundation.
<b>Ireland</b>	No, provided that the activities are directly related to the foundation's purpose.
<b>Italy</b>	No, <u>ONLUS</u> can carry out specific institutional activities or directly related economic activities if non-dominant. Permitted economic activities of other types of foundations are taxed.
<b>Latvia</b>	No
<b>Lithuania</b>	No, provided that the foundation's annual profit does not exceed 1 million Lithuanian litas (LTL) (approximately €300,000).
<b>Luxembourg</b>	Yes
<b>Malta</b>	Yes, unless the foundation benefits from an exemption.
<b>Netherlands</b>	Yes, a foundation is subject to Dutch corporate income tax (CIT) to the extent that it carries out business activities. If the activities are charitable, such as, science and educational activities, the foundation is not subject to CIT.
<b>Poland</b>	Yes
<b>Portugal</b>	No, provided that the activities are directly related to the foundation's purpose. Unrelated activities are taxed.
<b>Romania</b>	No, provided that the activities are ancillary, are directly related to the foundation's purpose, and profits do not exceed €15,000.
<b>Slovakia</b>	No, permitted activities are tax exempt, if in accordance with the public-benefit purpose of the foundation. If the economic activities are considered to be entrepreneurial, they are fully taxed.



COUNTRY	IS INCOME FROM ECONOMIC ACTIVITIES TAXED?
<b>Slovenia</b>	Yes
<b>Spain</b>	No, provided that the activities are directly related to the foundation's purpose and are ancillary.
<b>Sweden</b>	Yes
<b>United Kingdom</b>	No, provided that the activities are directly related to the foundation's purpose.
<i>Switzerland</i>	No, provided that the activities are ancillary or indispensable for the realisation of the organisation's (non-profit) purpose.
<i>Turkey</i>	Yes
<i>Ukraine</i>	No, income from related economic activities is tax exempt. Unrelated activities are taxed.

## 25. TAX TREATMENT OF FOREIGN-BASED FOUNDATIONS

COUNTRY	CAN A FOREIGN-BASED FOUNDATION GET THE SAME TAX BENEFITS AS A NATIONAL FOUNDATION? IF YES, UNDER WHAT CONDITIONS?
<b>Austria</b>	Yes, if the organisation pursues directly and exclusively public-benefit, benevolent or religious purposes.
<b>Belgium</b>	Yes, a foreign organisation can be exempted if it does not carry out operations of a for-profit nature.
<b>Bulgaria</b>	Yes, for EU-based organisations.
<b>Cyprus</b>	No, only organisations registered in Cyprus are eligible for tax-exempt status.
<b>Czech Republic</b>	Yes, for organisations within the EU and in Norway and Iceland.
<b>Denmark</b>	Yes, any foundation can apply to the Danish national tax authorities to be approved as having a public-benefit purpose for certain tax purposes (deductibility of donations made to foundations and other public-benefit organisations). Every year a list is published with the names of all foundations approved as public-benefit. Applications for the coming year must be received by 1 October.
<b>Estonia</b>	No, only by registering as an Estonian foundation.
<b>Finland</b>	No, only by registering as a Finnish foundation.
<b>France</b>	Yes, but only if it performs its activities on French territory and is regarded as having a public-benefit purpose in France.
<b>Germany</b>	Yes, but to be eligible for tax incentives, public-benefit foundations (resident in Germany or not) must pursue activities that possibly benefit the German public.
<b>Greece</b>	Yes, but this depends on reciprocity (bilateral agreements) and is examined on a case by case basis. Foreign non-profit legal persons must provide to the competent Greek tax authority official documents issued by the competent authorities in their country of origin giving evidence (i) that they pursue public-benefit purposes and (ii) that the tax laws of their country of origin also provide for tax exemption in favour of foreign (Greek) non-profit legal persons.
<b>Hungary</b>	Yes, in certain cases.
<b>Ireland</b>	Yes, public-benefit organisations based in European Economic Area/European Free Trade Association countries can apply for tax exemption. A two-year waiting period applies before a charity can access the donations relief scheme.
<b>Italy</b>	Yes, but only if recognised as ONLUS.
<b>Latvia</b>	No
<b>Lithuania</b>	No
<b>Luxembourg</b>	No
<b>Malta</b>	No
<b>Netherlands</b>	Yes
<b>Poland</b>	Yes, in general, a representative office of a foreign foundation is treated similarly to a domestic foundation with regard to taxes. However, if it carries out an economic activity, it is subject to separate regulations governing the conduct of economic activity on Polish territory by the representatives of foreign entities.
<b>Portugal</b>	No, the foreign foundation would need to apply for public-benefit status, eligibility for which seems to be restricted to resident organisations.
<b>Romania</b>	No
<b>Slovakia</b>	No, only by establishing a formal branch in Slovakia.
<b>Slovenia</b>	No
<b>Spain</b>	No, only by establishing a formal branch in Spain.

COUNTRY	CAN A FOREIGN-BASED FOUNDATION GET THE SAME TAX BENEFITS AS A NATIONAL FOUNDATION? IF YES, UNDER WHAT CONDITIONS?
<b>Sweden</b>	Yes, if the foundation's activities are recognised as public-benefit activities.
<b>United Kingdom</b>	Yes, if the foundation has been registered by the UK tax authorities (HMRC) as comparable to a UK charity.
<i>Switzerland</i>	Yes, non-profit organisations with their registered offices abroad are entitled to tax privileges under the same conditions as national foundations.
<i>Turkey</i>	No
<i>Ukraine</i>	No

## 26. TAX TREATMENT OF INDIVIDUAL DONORS

COUNTRY	LIMIT OF INCENTIVE	AMOUNT DEDUCTIBLE IN CASE OF A DONATION OF €10,000	AMOUNT DEDUCTIBLE IN CASE OF A DONATION OF €100,000 <sup>4</sup>
<b>Austria</b>	Donations to certain organisations are deductible up to 10% of taxable income.	10,000	10,000
<b>Belgium</b>	Cash donations of €40 or more over the course of the financial year are deductible up to 10% of the taxable income, with an absolute maximum of €331,200 for the tax year 2009.	10,000	10,000
<b>Bulgaria</b>	Donations to registered public-benefit foundations are deductible at rates of 5, 15, or 50% of the income depending on the recipient. Total deduction cannot exceed 65% of the total income.		
<b>Cyprus</b>	The full value of donations is tax deductible with no limits.	10,000	100,000
<b>Czech Republic</b>	Deductions up to 10% of taxable income, provided at least 2% of taxable income is donated, but not less than 1,000 CZK (approx. €35).	10,000	10,000
<b>Denmark</b>	Gifts exceeding 500 DKK (approx. €70) up to 14,500 DKK (approx. €1,950, the limit for the 2010 fiscal year) are deductible.	1,950	1,950
<b>Estonia</b>	Donations up to the value of 5% of the donor's total income can be deducted up to a total of €3,196.	3,196	3,196
<b>Finland</b>	Only donations to publicly funded universities are eligible for any deduction.	0	0
<b>France</b>	Income tax reduction at 66% of the value of the gift (75% for gifts made to foundations and other organisations which supply free meals to persons in difficult situations), up to 20% of the donor's taxable income. Alternatively donors may opt for a wealth tax reduction which is equal to 75% of the value of the gift, but is limited to €50,000.	6,600	20,000
<b>Germany</b>	Tax deduction up to 20% of the yearly taxable income; exceeding amounts can be carried forward to future tax years without any limitation. Individual donors can deduct the maximum amount of €1 million. This amount can be carried forward for a period of up to 10 years.	10,000	20,000
<b>Greece</b>	20% of the value of the gift may be deducted from the taxpayer's gross income for an aggregate sum exceeding €100 during the fiscal year. The deduction only applies if the total amount of donations and sponsorships does not exceed 10% of the donor's total income.	2,000	10,000
<b>Hungary</b>	No tax incentives.	0	0
<b>Ireland</b>	Tax relief for donations of at least €250. Total tax relief claimed may not exceed 50% of gross income. Any excess over the 50% cap can be carried forward.	10,000	50,000

<sup>4</sup> All amounts in euros. Calculation is made based on a taxable income of €100,000

COUNTRY	LIMIT OF INCENTIVE	AMOUNT DEDUCTIBLE IN CASE OF A DONATION OF €10,000	AMOUNT DEDUCTIBLE IN CASE OF A DONATION OF €100,000 <sup>4</sup>
<b>Italy</b>	Tax credit of 19% for donations to ONLUS and other kinds of charities, up to the value of €1,032.91.	196.25	196.25
<b>Latvia</b>	Income tax deduction of a percentage of the value of donated sums that is equal to the income tax rate (26% in 2010), but not exceeding 20% of the donor's total taxable income.	2,600	20,000
<b>Lithuania</b>	No tax incentives for individual donors but they can allocate 2% of their income tax to an approved public-benefit entity.	0	0
<b>Luxembourg</b>	Tax deduction up to an annual aggregate maximum limit of 20% of the taxable income of the donor or €1,000,000, provided the donations have an aggregate value in excess of €120.	10,000	20,000
<b>Malta</b>	No deduction incentives apply to individual donors.	0	0
<b>Netherlands</b>	Donations can be deducted up to 10% of the donor's gross income. No deduction is possible for donations below 1% of the gross income or €60 (2010).	10,000	10,000
<b>Poland</b>	Donations of cash, shares, securities, real estate and in-kind donations are deductible up to 6% of the taxable base.	6,000	6,000
<b>Portugal</b>	Cash donations: Income tax deduction up to 25% of the amount donated where there is no limit for corporate donors. Where there is a limit on deduction for corporate donors, the amount deducted by individuals should not exceed 15% of the value of the donor's total income tax.	2,500	25,000 or 15,000
<b>Romania</b>	2% of total income.	2,000	2,000
<b>Slovakia</b>	No tax incentives for individual donors.	0	0
<b>Slovenia</b>	The total amount of cash and in-kind donations to foundations may be deducted from the tax base up to 0.3% of the donor's taxable income.	300	300
<b>Spain</b>	Tax credit of 25% of the value of cash or in kind donations up to 10% of total taxable income.	2,500	10,000
<b>Sweden</b>	No tax incentives for individual donors.	0	0
<b>United Kingdom</b>	Cash donations are deductible via Gift Aid or payroll giving schemes. The donor claims a deduction from taxable income or capital gains for the amount of the donation grossed up by the basic rate of tax (currently 20%). Gift Aid allows the charity to then reclaim the income tax deemed to be deducted from the donation from the tax authorities.	10,000	100,000
<i>Switzerland</i>	Cash and in-kind donations of CHF 100.00 (approx. €77) or more are deductible from taxable income up to 20% of the value of taxable income.	10,000	20,000
<i>Turkey</i>	The value of donations to tax-exempt foundations is deductible up to 5% (10% for the development priority regions) of the donor's income within that fiscal year.	5,000 or 10,000	5,000 or 10,000
<i>Ukraine</i>	Donations are deductible up to 4% of the donor's taxable income in the previous year. The tax deductions shall not be more than the annual income received as the salary.	4,000	4,000

<sup>4</sup> All amounts in euros. Calculation is made based on a taxable income of €100,000

## 27. TAX TREATMENT OF CORPORATE DONORS

COUNTRY	LIMIT OF INCENTIVE	AMOUNT DEDUCTIBLE IN CASE OF A DONATION OF €10,000	AMOUNT DEDUCTIBLE IN CASE OF A DONATION OF €100,000 <sup>5</sup>
<b>Austria</b>	Deductions up to 10% of business profits.	10,000	20,000
<b>Belgium</b>	Only cash donations (of more than €40), the exception being works of art donated to museums: up to 5% of the taxable income, with a maximum of €346,100 in 2010.	10,000	10,000
<b>Bulgaria</b>	Donations can be deducted up to 10%, 15% or 50% (dependent on the recipient) from the profit before taxation. The total amount of the deduction cannot exceed 65% of the total income.	1,000-5,000	10,000-50,000
<b>Cyprus</b>	The whole amount of the donation can be deducted, subject to certain conditions. The same conditions are applicable to individual donors.	10,000	100,000
<b>Czech Republic</b>	The donation can be a movable asset or real estate. The donation is deductible up to 5% of taxable income.	10,000	10,000-20,000
<b>Denmark</b>	Gifts to qualifying charitable organisations exceeding 500 DKK (approx. €70) up to 14,500 DKK (approx. €1,950) are deductible each year. The limit is adjusted annually and was 14,500 DKK for the fiscal year 2010.	1,950	1,950
<b>Estonia</b>	Total of donations deducted from taxable income may exceed neither 3% of the sum of the payments made during the year and are subject to social insurance tax, nor 10% of the calculated profit of the latest fiscal year.	n/a	n/a
<b>Finland</b>	Monetary donations made by corporations with a minimum amount of €850 are eligible for a tax deduction. Maximum amount depends on the recipient, divided in two categories. Maximum amount of a donation given to a publicly financed university or to a fund within the university is €250,000. Maximum amount of a donation given to a public-benefit foundation is €50,000.	10,000	50,000-100,000
<b>France</b>	Tax reduction equal to 60% of donations to public utility foundations up to 0.5% of their annual turnover.	6,000	25,000
<b>Germany</b>	A tax deduction on the income up to 20% of yearly taxable income (or 0.4% of the sum of the turnover and salaries).	10,000	20,000
<b>Greece</b>	Cash donations are deductible up to a maximum of 10% of the taxable income.	10,000	20,000
<b>Hungary</b>	Up to 20% of the value of continuing donations (min. 4 years), both in cash and in kind, to public-benefit foundations can be deducted from the tax base. 50% of all donations (also one off) to prominently public-benefit foundations can be deducted.	5,000	50,000
<b>Ireland</b>	Donations over €250 are deductible in full.	10,000	100,000

<sup>5</sup> All amounts in euros. Calculation is made based on a turnover of €5,000,000 and profits of € 200,000.

COUNTRY	LIMIT OF INCENTIVE	AMOUNT DEDUCTIBLE IN CASE OF A DONATION OF €10,000	AMOUNT DEDUCTIBLE IN CASE OF A DONATION OF €100,000 <sup>5</sup>
<b>Italy</b>	Cash donations only. Up to 2% of income up to €1,032.91 for donations to ONLUS and other NGOs. No limits on donations to universities or university foundations.	15,000	40,000
<b>Latvia</b>	A tax deduction of 85% of donated sums, up to 20% of total payable tax.	8,500	85,000
<b>Lithuania</b>	Corporate donors can deduct cash, in-kind donations, and even services offered.	10,000	100,000
<b>Luxembourg</b>	Donations are deductible up to 20% of the taxable net annual income of the donor or €1,000,000, provided the donations have an aggregate value in excess of €120. Cash donations mostly, but in-kind donations are deductible in some cases.	10,000	40,000
<b>Malta</b>	Cash or asset donations (except immovable property) of not less than €2,320 made to certain national heritage organisations can be deducted. Also donations of not less than €11,600 made in cash for the purpose of carrying out restoration works to certain organisations may be claimed as a deduction. In the case of donations made to the Arts Fund, or a cash donation to a non-profit making cultural organisation approved by the Arts Fund, the deduction is limited to €50,000. In the case of donations to sports regulatory bodies, the deduction is limited to €60,000.	10,000 in some cases	100,000 in some cases
<b>Netherlands</b>	Donations of at least €227 can be deducted, up to a maximum of 10% of the annual income.	10,000	20,000
<b>Poland</b>	Cash, shares, real estate and in-kind donations are deductible. Limit of incentive: 10% of the tax base.	10,000	20,000
<b>Portugal</b>	No limits on tax deduction when donations benefit state-supported foundations or represent endowment of private origin foundations pursuing social or cultural aims. Donations are calculated as a cost to the donor and rates range from 120%-150% of the monetary value of the donation.	12,000 - 15,000	120,000 - 150,000
<b>Romania</b>	Donations can be deducted up to 3% of the turnover, but no more than 20% of the profit tax.	10,000	15,000
<b>Slovakia</b>	No tax incentives in place for corporate giving.	0	0
<b>Slovenia</b>	A tax deduction on the amount of cash donations paid to a foundation, which accounts for 0.3% of taxable entity's taxed income in a tax year but may not exceed the tax base in a given tax period. There is additional tax relief for research funding.	600	600
<b>Spain</b>	Corporations can deduct 35% of all donations up to a limit of 10% of the taxable base or 0.1% of the company's turnover in the form of a tax credit.	3,500	20,000
<b>Sweden</b>	No deductions in general. However, some donations can be deducted as business expenses.	0	0

<sup>5</sup> All amounts in euros. Calculation is made based on a turnover of €5,000,000 and profits of € 200,000.



COUNTRY	LIMIT OF INCENTIVE	AMOUNT DEDUCTIBLE IN CASE OF A DONATION OF €10,000	AMOUNT DEDUCTIBLE IN CASE OF A DONATION OF €100,000 <sup>5</sup>
<b>United Kingdom</b>	Money, qualifying shares and securities and interests in UK real estate. A deduction from taxable profits for donations of money to UK charities can be claimed.	10,000	100,000
<i>Switzerland</i>	Donations of money and other assets to non-profit legal persons having their registered office in Switzerland are deductible from the taxable net profit in the amount of up to 20% of the net profit as business expenses.	10,000	40,000
<i>Turkey</i>	Donations to tax-exempt foundations are deductible up to 5% (10% for the development priority regions) of the corporate's taxable income.	10,000	10,000 or 20,000
<i>Ukraine</i>	Donations in cash can be deducted up to 4% of the corporation's taxable income in the previous year. Corporate donors can also deduct their donations provided as services and performances.	8,000	8,000

<sup>5</sup> All amounts in euros. Calculation is made based on a turnover of €5,000,000 and profits of € 200,000.

## 28. TAX TREATMENT OF CROSS-BORDER DONATIONS

COUNTRY	ARE DONATIONS TO FOREIGN -BASED PUBLIC-BENEFIT ORGANISATIONS TAX DEDUCTIBLE FOR THE DONOR?
<b>Austria</b>	Yes, but receiving organisation must be registered in Austria and certain conditions met.
<b>Belgium</b>	Yes, but receiving organisation will need to be proved 'comparable'.
<b>Bulgaria</b>	Yes, burden of proof lies with the donor.
<b>Cyprus</b>	<b>No</b>
<b>Czech Republic</b>	Yes, but receiving organisation must be recognised in its country of residence as having public-benefit purpose.
<b>Denmark</b>	Yes, but receiving organisation must be registered in Denmark.
<b>Estonia</b>	Yes, as of 2011, but receiving organisation will need to be proved 'comparable'.
<b>Finland</b>	Yes, but the receiving organisation must be approved by the Finnish tax authorities.
<b>France</b>	Yes, but only where France has signed a tax treaty with the recipient's country of residence or when the foreign-based public-benefit organisation is located in an EU country and has been approved by the French tax authorities.
<b>Germany</b>	Yes, but certain conditions must be met. Burden of proof lies with the donors.
<b>Greece</b>	Yes
<b>Hungary</b>	<b>No</b>
<b>Ireland</b>	Yes, but organisations must register with the Irish authorities.
<b>Italy</b>	Information pending
<b>Latvia</b>	Yes
<b>Lithuania</b>	<b>No</b>
<b>Luxembourg</b>	Yes, burden of proof lies with the donor.
<b>Malta</b>	<b>No</b>
<b>Netherlands</b>	Yes, but receiving organisation must be registered in the Netherlands and meet certain conditions.
<b>Poland</b>	Yes, burden of proof lies with the donor.
<b>Portugal</b>	<b>No</b>
<b>Romania</b>	<b>No</b>
<b>Slovakia</b>	<b>No</b> , but no tax incentives for local giving, so no discrimination.
<b>Slovenia</b>	Yes, burden of proof lies with the donor.
<b>Spain</b>	<b>No</b>
<b>Sweden</b>	<b>No</b> , but no tax incentives for local giving, so no discrimination.
<b>United Kingdom</b>	Yes, but organisations will need to register with the UK tax authorities and be deemed 'comparable' to a UK charity.
<i>Switzerland</i>	<b>No</b>
<i>Turkey</i>	<b>No</b>
<i>Ukraine</i>	<b>No</b>

## EFC LEGAL COMMITTEE\*

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\*current membership of the committee as of April 2011



## ABOUT THE EFC...

The European Foundation Centre, founded in 1989, is an international membership association representing public-benefit foundations and corporate funders active in philanthropy in Europe, and beyond. The Centre develops and pursues activities in line with its four key objectives: creating an enabling legal and fiscal environment; documenting the foundation landscape; building the capacity of foundation professionals; and promoting collaboration, both among foundations and between foundations and other actors. Emphasising transparency and best practice, all members sign up to and uphold the European Foundation Centre Principles of Good Practice.

